



BANK OF TANZANIA



ANNUAL REPORT 2022/23





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Bank of Tanzania Annual Report 2022/23

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December 2023

Hon. Dr. Mwigulu Lameck Nchemba (MP),
Minister of Finance,
United Republic of Tanzania,
Government City– Mtumba,
Hazina Street,
P.O. Box 2802,
40468 Dodoma,
TANZANIA.

Honourable Minister,

LETTER OF TRANSMITTAL

In accordance with Section 21(1) of the Bank of Tanzania Act, 2006 Cap.197 as amended, I hereby submit:

- a) The report on economic developments and the Bank of Tanzania's operations, in particular, the implementation and outcome of monetary policy, and other activities during the fiscal year 2022/23; and
- b) The Bank of Tanzania's Balance Sheet, the Profit and Loss Accounts and associated financial statements for the year ended 30th June 2023, together with detailed notes to the accounts for the year and the preceding year's comparative data certified by external auditors along with the auditors' opinion.

Yours Sincerely,

Emmanuel M. Tutuba
Governor
Bank of Tanzania



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List of Acronyms

AACBs	African Association of Central Banks
EAC	East African Community
EAPS	East African Payment System
ECGS	Export Credit Guarantee Scheme
EFT	Electronic Fund Transfer
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FISIM	Financial Intermediation Services Indirectly Measured
FSR	Financial Services Registry
GePG	Government Electronic Payment Gateway
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
LGAs	Local Government Authorities
MDAs	Ministries, Departments and Agencies
MPC	Monetary Policy Committee
MSPs	Microfinance Service Providers
NFRA	National Food Reserve Agency
NPLs	Non-Performing Loans
OPEC	Organization of Petroleum-Exporting Countries
REPO	Repurchase Agreement
RGoZ	Revolutionary Government of Zanzibar
RTGS	Real-Time Gross Settlement
RWF	Rwandan Franc
SACCOS	Savings and Credit Cooperative Societies
SADC	Southern African Development Community
SME-CGS	Small and Medium Enterprises Credit Guarantee Scheme
SSR	Self-Sufficiency Ratio
TACH	Tanzania Automated Clearing House System
TADB	Tanzania Agricultural Development Bank
TCDC	Tanzania Cooperative Development Commission
TIPS	Tanzania Instant Payment System
TISS	Tanzania Interbank Settlement System
TZS	Tanzanian Shilling
URT	United Republic of Tanzania
ZAR	South African Rand
MEFMI	Macroeconomic and Financial Management Institute



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Governor's Foreword

I am pleased to share the Bank of Tanzania Annual Report for 2022/23, which provides the progress made by the Bank of Tanzania, hereafter the Bank, in discharging its core mandate. The report also provides performance of key operations that support the Bank in executing its mandate. In compliance with the principles of good governance, the Bank's audited annual financial report for 2022/23 is also submitted as part of this report.

During 2022/23, policy makers across the globe were confronted with a challenging economic environment resulting from the war in Ukraine, climate change, and the lingering effects of the COVID-19 pandemic. These global shocks disrupted the supply chain, leading to high commodity prices and inflation. Growth was also significantly undermined. As a result, countries experienced growing debt and widening current account deficits, to mention a few. To address the increase in inflation, central banks were thus compelled to tighten monetary policy, which has led to rising interest rates and tightened financial conditions. Some of the developing countries have encountered a decline in foreign exchange and exchange rate depreciation, owing to global challenges and monetary policy tightening in advanced economies.

Notwithstanding the global challenges, our economy demonstrated resilience, growing at 4.7 percent in 2022. Inflation hovered below the medium-term target of 5 percent, foreign exchange reserves remained adequate, and the exchange rate was stable. The Bank pursued a less accommodative monetary policy, which focused on striking a balance between the objective of containing inflation while safeguarding growth and financial stability. The banking sector, which constitutes the largest segment of the financial sector, remained sound, stable and profitable, with adequate capital and liquidity. Banking services and uptake also improved, thanks to advancing technology that facilitated development of new customer-centric products. By and large, this performance was an outcome of measures taken by the Bank, in collaboration with stakeholders. The attained success was also attributable to competent human capital, efficient business processes, and good governance structures of the Bank.

Going forward, the Bank intends to improve the conduct and effectiveness of monetary policy through among other strategies, shifting from monetary targeting to interest rate-based monetary policy framework effective in January 2024. Measures will also be undertaken to ensure the adequacy of foreign reserves, exchange rate stability, and financial sector stability to support economic growth. I am confident that with enhanced collaboration with stakeholders, the Bank will remain steadfast in managing risks to the economy for better performance in the subsequent years.

Lastly, I would like to extend my profound appreciation to the Board members, management and staff of the Bank for their diligence and unwavering commitment that enabled the attainment of the Bank's strategic objectives for the fiscal year 2022/23.

Emmanuel M. Tutuba
Governor
Bank of Tanzania



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Leadership and Organizational Structure

As per Section 9 of the Bank of Tanzania Act 2006, Cap. 197, the Governor is the Chair of the Board of Directors. Members of the Board include the Deputy Governors, Permanent Secretary to the Treasury of the Government of the United Republic of Tanzania (URT), Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar, and four non-executive Directors, where the Permanent Secretary and Principal Secretary are ex-officio members. The composition of the Board during the 2022/23 financial year is illustrated hereunder.



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Board of Directors



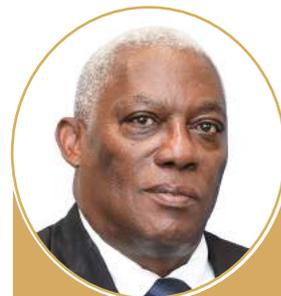
Mr. Emmanuel M. Tutuba²
Governor, Chairman



Dr. Yamungu Kayandabila
Deputy Governor,
Economic and Financial Policies (EFP)



Ms. Sauda K. Msemo
Deputy Governor,
Financial Stability and
Financial Deepening (FSD)



Mr. Julian B. Raphael³
Deputy Governor,
Administration and Internal Controls
(AIC)



Mr. Lawrence N. Mafuru
For Permanent Secretary to the Treasury
of the Government of the
United Republic of Tanzania (URT)



Dr. Juma Akil
Principal Secretary,
President's Office,
Finance and Planning (RGoZ)



Ms. Esther L. Manyesha
Director



Prof. Nehemiah E. Osoro⁴
Director



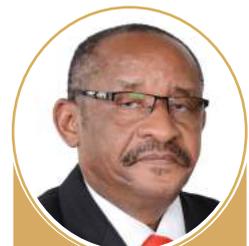
Mr. Joseph O. Haule⁵
Director



Paloty Luena
Secretary

Key:

- ¹ Completed his office term on 7 January 2023
- ² Commenced his office term on 8 January 2023
- ³ Reappointed on 1 January 2023
- ⁴ Completed his term on 2 June 2023
- ⁵ Completed his term on 2 June 2023

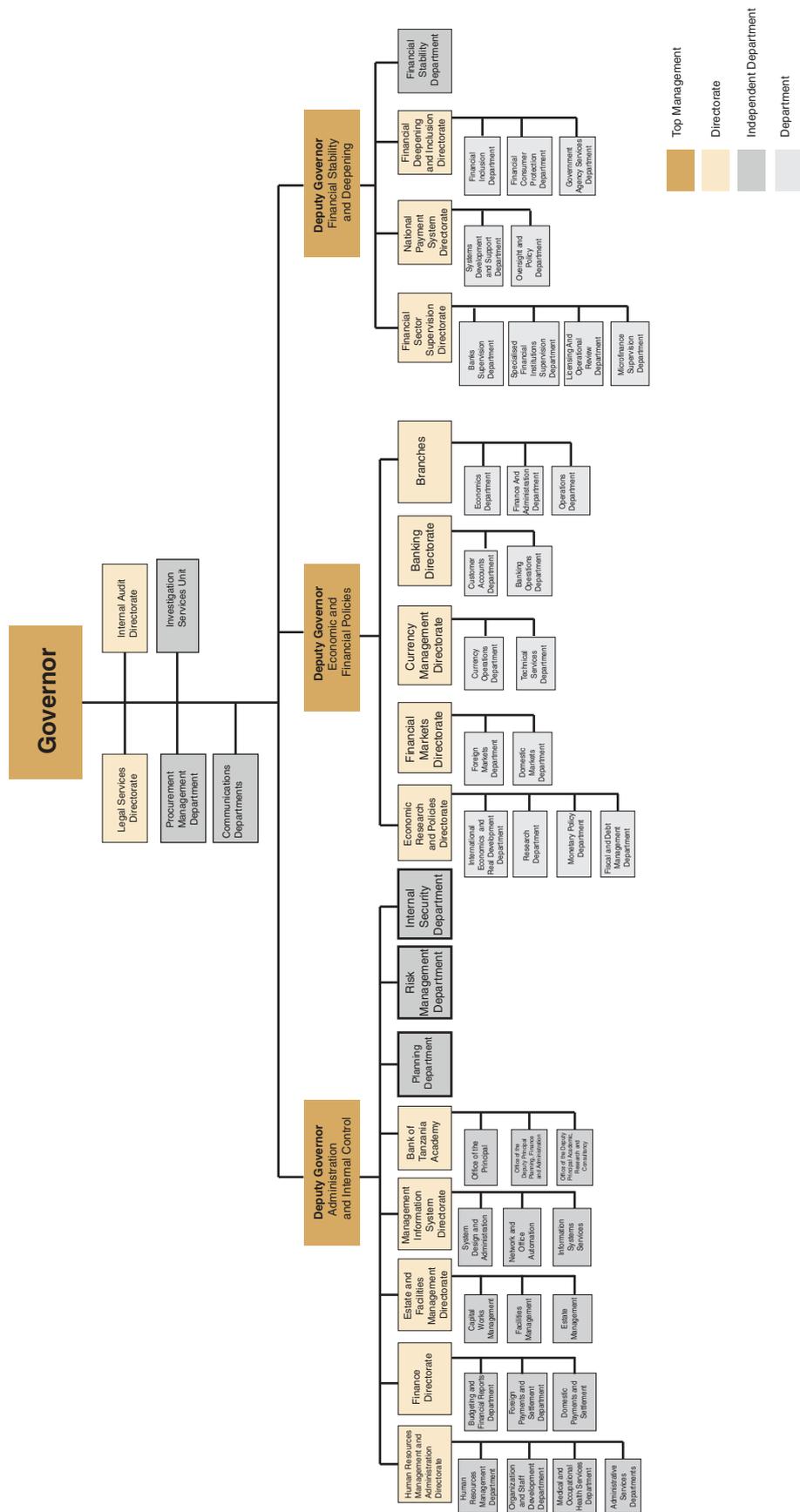


Prof. Florens D.A.M. Luoga¹
Governor



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Organization Structure





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Bank of Tanzania Mandate, Mission, Vision and Core Values

Mandate

The primary objective of the Bank, as enshrined in the Bank of Tanzania Act 2006, Cap. 197, is to formulate, define, and implement monetary policy directed to the economic objective of maintaining domestic price stability conducive to a balanced and sustainable growth of the national economy. Without prejudice to the aforementioned, the Bank also ensures the integrity of the financial system, supports the general economic policy of the Governments, and promotes sound monetary, credit and banking conditions conducive to the development of the economy.

Vision

To be a Central Bank that effectively fosters macroeconomic stability and modernized financial system in sustenance of country's middle income and beyond.

Mission

Maintain price stability and integrity of the financial system for inclusive economic growth.

Our Core Values

Integrity: We exhibit high ethical and moral standards reflected by honesty, sincerity, truthfulness, and confidentiality in executing our mandate.

Excellence: We execute our duties professionally with creativity and innovativeness to improve organizational performance.

Accountability: We are collectively and individually accountable in discharging our responsibilities.

Transparency: We clearly and openly execute our mandates and proactively communicate relevant information to stakeholders.

Inclusiveness: We value broad participation, teamwork, diversity and harnessing multiple skills and experiences in discharging our duties.



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Monetary Policy Framework of the Bank of Tanzania

The monetary policy framework of the Bank of Tanzania focuses on maintaining domestic price stability by targeting growth rate of money supply. The mainstays of the monetary policy framework are as described below.

Objective of the Monetary Policy

The primary objective of the monetary policy is to maintain price stability, which is defined as low and stable inflation rate over time. The medium-term target is set at 5 percent, which is consistent with East African Community (EAC) and Southern African Development Community (SADC) convergence criteria of a ceiling of 8 percent and a range of 3-7 percent, respectively. The inflation target is considered appropriate to support sustainable growth of the economy. To achieve this objective, the Bank focuses on maintaining adequate level of liquidity in line with demand of various activities and ensuring stability of interest rates and exchange rates.

Intermediate Target

The Bank controls inflation by managing the growth of money supply. Extended broad money supply (M3), which is estimated to have the closest relationship with the rate of inflation, is used as an intermediate target variable. M3 comprises currency in circulation outside the banking system and deposits of residents with banks, including foreign currency deposits.

Operating Target

To influence the growth of M3, the Bank controls growth of reserve money, elsewhere referred to as base money or high-powered money. Reserve money is related to money supply through the money multiplier. It comprises currency in circulation outside the banking system, cash held in vaults of banks and deposits of banks kept with the Bank of Tanzania in local currency.

Monetary Policy Instruments

A variety of instruments are used to conduct monetary policy. These include open market operations, i.e., selling or buying debt securities, and the sale or purchase of foreign currency in the inter-bank foreign exchange market. In addition, repurchase agreements (repo) and reverse repurchase agreements (reverse repo) are used. The statutory minimum reserve requirement ratio (SMR) and discount rate are also part of monetary policy instruments. In addition to these instruments, the Bank also offers standby credit facilities—intraday and Lombard loan facilities—for banks in need of liquidity.

Communication

The Bank exercises a high degree of transparency in its decisions. The decisions of the Monetary Policy Committee (MPC) are communicated to banks through post-MPC engagements with CEOs of banks or MPC Statements, and to the public through the media. In addition, the Bank publishes various periodic reports to highlight monetary policy stance, the outcome of monetary policy implementations, and developments of the economy at large. These reports are available on the Bank's website: <https://www.bot.go.tz>.



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Modalities for Monetary Policy Implementation

Beginning of Fiscal Year	<ol style="list-style-type: none">1. Every fiscal year, the Bank sets annual monetary policy targets in its Monetary Policy Statement (MPS) in accordance with the broader macroeconomic policy objectives of the Governments.2. MPS is approved by the Board of Directors of the Bank and submitted to the Minister responsible for Finance, who submits it to the Parliament.
February of the year	<ol style="list-style-type: none">3. Mid-year review of the MPS, showing progress in the implementation of the policy, outlook for the remaining period of the year and measures to be undertaken to achieve the policy objectives. The report is submitted to the parliament through Minister of Finance.
Bi-monthly	<ol style="list-style-type: none">4. The Monetary Policy Committee of the Board of Directors of the Bank, which is chaired by the Governor, is responsible for setting the monetary policy direction bi-monthly, in line with the targets set in the Monetary Policy Statement.
Daily	<ol style="list-style-type: none">5. The Surveillance Committee of the Bank's Management meets daily to evaluate liquidity developments and decides on the measures to be taken to ensure that liquidity is kept within the desired path.



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The Economy at Glance in 2022/23

Indicator	2021/22	2022/23
Output and Prices		
GDP at Current Market Prices (TZS trillion)	156.4	170.3
GDP Per capita (TZS million)	2.7	2.8
Real GDP growth (%)	4.9	4.7
Inflation rate (y-o-y)	4.4	3.6
Inflation (12 month moving average)	4.0	4.6
Core inflation rate (y-o-y)	3.4	1.7
Core inflation (12-months moving average)	3.8	2.6
Money and Credit		
Average Reserve Money (growth in %)	13.9	12.8
Credit to private sector (growth in %)	9.9	22.2
Growth of Extended broad money (M3 in %)	12.2	13.7
Government budgetary operations		
Tax revenue to GDP (%)	12.3	11.6
Government expenditure to GDP (%)	19.0	18.7
Development expenditure to GDP (%)	9.2	7.6
Budget deficit to GDP (%)	3.6	4.2
External sector		
Current account balance (%)	-4.8	-6.1
Foreign reserves (USD million)	5,110.3	5,446.1
Reserve months of import cover	4.6	4.8
Average retail exchange rate per USD	2,298.1	2,310.2
Tourists' arrivals (number)	1,123,130	1,638,850
Banking sector		
Number of Commercial Banks	34	34
Gross non-performing loans to gross loans (%)	5.3	7.8
Return on assets(%)	4.5	4.1
Return on equity (%)	21.5	18.5
Number of Bureau de change	5	9
Social indicators		
Population (million)	57.7	59.9
Population growth rate (%)	3.2	3.1
Zanzibar		
Zanzibar Real GDP growth (%)	6.8	5.1
Zanzibar headline inflation (%)	7.0	4.8
Zanzibar Tax revenue/GDP (%)	19.4	16.2



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Executive Summary

During 2022, the global economic environment was largely characterized by inflationary pressures that compelled most central banks to implement tight monetary policies. High inflation levels ensued from the ongoing war in Ukraine, lingering effects of the COVID-19 pandemic coupled with climate-related challenges. As a result, global growth slowed down to 3.4 percent in 2022 from 6.3 percent in 2021. The global shocks had noticeable effects on growth of the Southern African Development Community (SADC) and East African Community (EAC) regions. Downside risks, including prolonged war in Ukraine, tight global financial conditions and climate challenges are likely to further slowdown global growth in 2023 and 2024.

Notwithstanding the challenging global economic conditions, Tanzania's economic growth was relatively strong, growing at 4.7 percent in 2022 as initially projected. The diversified nature of the economy, and Government interventions to cushion the economy from the effects of the global shocks, including measures to improve business environment, are some of the factors behind the registered growth performance. Activities that mostly contributed to growth were agriculture, construction and mining. In 2023, the economy is anticipated to grow by 5.2 percent, on account of expected improvement in economic conditions.

In 2022/23, inflation averaged 4.6 percent, slightly rising from 4 percent in the preceding year. This was mainly due to unfavourable weather that affected food prices, high food demand from neighbouring countries and elevated commodity prices in the world market, particularly oil and fertilizers. Nevertheless, inflation remained within the country's target and regional benchmarks, partly attributed to prudent implementation of monetary and fiscal policies.

The monetary policy adopted in 2022/23 focused on striking a balance between controlling inflation and safeguarding economic growth. Implementation of the monetary policy together with the Government's efforts to improve the business environment contributed to growth of credit to

private sector that reached 22.2 percent from 9.9 percent in 2021/22, surpassing the target of 10.7 percent. Credit for personal, trade, manufacturing and agricultural activities contributed to the growth.

In response to monetary policy actions, the overall interest rate in the interbank cash market slightly increased to 4.84 percent from 4.39 percent. Interest rates charged by banks on loans and those offered on deposits remained relatively unchanged compared to the preceding year, associated with structural impediments, which are being addressed through reforms.

The Interbank Foreign Exchange Market (IFEM) was active, albeit characterized by low transactions, primarily associated with tight global financial conditions. To minimize the impact, the Bank implemented several interventions, including the sale of foreign exchange in the IFEM and currency swaps with banks, which contributed to the stability of the Tanzanian shilling against major currencies. During the year, the shilling depreciated by less than one percent against the USD. This, combined with low inflation differential, resulted to the absence of substantial misalignment as real effective exchange rate evolved close to its equilibrium.

On the fiscal front, resources were consistent with the set targets and expenditure was aligned with the available funds. Revenue was 93.7 percent of the target, while expenditure was 97.6 percent of the budget estimate. Government operations resulted in a fiscal deficit that was equivalent to 4.2 percent of GDP, with most of the funds channeled to the implementation of strategic infrastructural projects.

The external sector remained relatively resilient, attuning to high import prices, shortage of foreign exchange, and tight global financial conditions. The current account deficit widened, driven by a rise in import bills. Notwithstanding the outturn in the current account, the stock of foreign exchange reserves was adequate, sufficient to cover 4.8 months of projected imports of goods and services. The reserves were also within the country's target and EAC's benchmarks.



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From the financial sector perspective, 2022/23 was successful-standing stable, sound and resilient. The banking sector, which constitutes the largest part of the financial sector, was profitable, adequately capitalized, with sufficient level of liquidity and improved asset quality. This performance was supported by regulatory and supervisory measures and favourable macroeconomic environment. Noteworthy, improved asset quality is ascribed to usage of credit reference bureau services.

Additionally, the Bank continued with initiatives to ensure consumer protection and finalized review of the second National Financial Inclusion Framework to pave way for implementation of third National Financial Inclusion Framework 2023-2028. The framework focuses on access, usage and quality of financial services.

The payment systems also remained stable and efficient, facilitating implementation of monetary policy. Of the major development during the year was continued enhancement and on-boarding of financial service providers in the Tanzania Instant Payment Systems. Full operationalization of the system is expected to enhance operational efficiency.

Zanzibar economic performance was satisfactory, growing by 6.8 percent in 2022. Activities that contributed to growth were accommodation and food services, livestock, construction, manufacturing, real estate and crops. Zanzibar's economy is projected to grow by 7.1 percent in 2023, supported by resurgence of tourism-related activities and ongoing implementation of public and private projects.

Inflation in Zanzibar averaged 7 percent in 2022/23 and was within the EAC and SADC convergence criteria. This outturn was mainly explained by global food supply disruption, particularly wheat that caused a surge in food prices.

Implementation of Revolutionary Government Zanzibar's budget was satisfactory. Tax revenue to GDP ratio increased to 19.4 percent from 16.2 percent in the preceding year following enhanced

measures taken by the Government to improve revenue collection.

As for the external sector, Zanzibar experienced widening of the current account balance owing to an increase in import bills following high global commodity prices and increased importation of construction materials for ongoing infrastructure projects.



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PART I

GLOBAL ECONOMY



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1.1 Output

The global economy continued to recover albeit at a slower pace due to supply chain disruptions caused by the war in Ukraine, a slowdown in the Eurozone and China economies, lingering effects of the COVID-19 pandemic and climate change. These challenges resulted into persistently high inflation and commodity prices that prompted most of the central banks, especially in the advanced economies, to implement tight monetary policies to contain inflation. The central banks measures to rise policy rates to tame inflation affected global economic activity. Therefore, global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.8 percent in 2023 and 3 percent in 2024 (Table 1.1)¹. In 2023 and 2024, growth in SADC is also projected to slowdown, while that in EAC region is expected to rise (Table 1.2 and Table 1.3).

Table 1.1: Global Real GDP Growth

Region/Country	Percent						
	2018	2019	2020	2021	2022	Projections	
						2023	2024
World	3.6	2.8	-2.8	6.3	3.4	2.8	3.0
Advanced economies	2.3	1.6	-4.2	5.4	2.7	5.1	3.6
United States	3.0	2.2	-2.8	5.9	2.1	1.6	1.1
Euro area	1.9	1.3	-6.1	5.4	3.5	0.8	1.4
United Kingdom	1.3	1.4	-11.0	7.6	4.0	-0.3	1.0
Japan	0.6	0.3	-4.3	2.1	1.1	1.3	1.0
EMDE	4.5	3.6	-1.8	6.9	4.0	6.7	5.0
China	6.7	5.8	2.2	8.5	3.0	5.2	4.5
India	6.5	4.0	-5.8	9.1	6.8	5.9	6.3
Sub-Saharan Africa	3.2	3.2	-1.7	4.8	3.9	3.6	4.2

Source: IMF, World Economic Outlook Database, April 2023

Note: EMDE denotes emerging market and developing economies

Table 1.2: Real GDP Growth in SADC

Country	Percent						
	2018	2019	2020	2021	2022	Projections	
						2023	2024
Angola	-2.0	-0.7	-5.6	1.1	2.8	3.5	3.7
Botswana	4.5	3.0	-8.7	11.8	6.4	3.7	4.3
DRC	5.8	4.4	1.7	6.2	6.6	6.3	6.5
Eswatini	2.4	2.6	-1.6	7.9	0.5	2.8	2.5
Lesotho	-1.0	-2.0	-3.9	2.1	2.1	2.2	2.3
Madagascar	3.2	4.4	-7.1	5.7	4.2	4.2	4.8
Malawi	3.2	5.4	0.9	4.6	0.8	2.4	3.2
Mauritius	3.8	2.9	-14.6	3.5	8.3	4.6	4.1
Mozambique	3.4	2.3	-1.2	2.3	4.1	5.0	8.2
Namibia	1.1	-0.8	-8.0	2.7	3.8	2.8	2.6
Seychelles	1.3	3.1	-7.7	7.9	8.8	3.9	3.9
South Africa	0.8	0.3	-6.3	4.9	2.0	0.1	1.8
Tanzania	7.0	7.0	4.8	4.9	4.7	5.2	6.2
Zambia	4.0	1.4	-2.8	4.6	3.4	4.0	4.1
Zimbabwe	3.5	-6.1	-7.8	8.5	3.0	2.5	2.6
SADC average	2.7	1.8	-4.5	5.3	4.1	3.6	4.0

Source: National Statistics Offices and IMF, World Economic Outlook Database, April 2023

Note: DRC denotes Democratic Republic of the Congo

Table 1.3: Real GDP Growth in EAC

Country	Percent						
	2018	2019	2020	2021	2022	Projections	
						2023	2024
Burundi	1.6	-0.7	0.3	3.1	1.8	3.3	6.0
Kenya	6.3	5.2	-0.3	7.5	5.4	5.3	5.4
Rwanda	8.6	2.4	-3.4	10.9	6.8	6.2	7.5
Tanzania	7.0	3.4	4.8	4.9	4.7	5.2	6.2
Uganda	6.0	2.1	-1.3	6.0	4.9	5.7	5.7
EAC average	5.9	2.5	0.0	6.5	4.7	5.1	6.2

Source: National Statistics Offices and IMF, World Economic Outlook Database, April 2023

1.2 Inflation

Overall, inflation rose across the globe reaching 8.7 percent in 2022, from the rate recorded in 2021, largely due to an increase in global commodity prices, in particular energy, following supply cuts by OPEC+ and supply disruptions caused by the war in Ukraine (Table 1.4). However, there were observable inflation differences across countries, reflecting such factors as degree of monetary policy tightening, exposures to movements in commodity prices and exchange rate pass through. Going forward, the IMF World Economic Outlook of April 2023 projects global inflation to decelerate to 7.0 percent in 2023 and

¹According to IMF world Economic Outlook Database of July 2023, growth is estimated at 3 percent in 2023 and 2024.



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further down to 4.9 percent in 2024, based on central banks' monetary policy actions and expected decline of commodity prices.

Table 1.4: Global Inflation

	Percent						
	2018	2019	2020	2021	2022	Projection	
						2023	2024
World	3.6	3.5	3.2	4.7	8.7	7.0	4.9
Advanced economies	2.0	1.4	0.7	3.1	7.3	4.7	2.6
United States	2.4	1.8	1.3	4.7	8.0	4.5	2.3
Euro Area	1.8	1.2	0.3	2.6	8.4	5.3	2.9
Japan	1.0	0.5	0.0	-0.2	2.5	2.7	2.2
United Kingdom	2.5	1.8	0.9	2.6	9.1	6.8	3.0
EMDE	4.9	5.1	5.2	5.9	9.8	8.6	6.5
China	2.1	3.0	2.4	0.9	1.9	2.0	2.2
India	3.4	4.8	6.2	5.5	6.7	4.9	4.4
Sub-Saharan Africa	8.3	8.1	10.1	11.0	14.5	14.0	10.5

Source: IMF, World Economic Outlook Database, April 2023

Note: EMDE denotes emerging market and developing economies

In the SADC region, inflation rose to 22 percent in 2022 from 14.6 percent in 2021 with most countries experiencing inflation above the convergence criteria of between 3 and 7 percent, save for a few countries, including Tanzania (Table 1.5). The rise of inflation in the region was partly associated with supply chain disruptions, a rise in energy prices, and soaring food-prices following adverse weather conditions. In the EAC, inflation rose to an average of 10.3 percent in 2022 from 4.2 percent, well above the convergence benchmark of utmost 8 percent. All EAC countries had inflation below the set benchmark except Rwanda and Burundi (Table 1.6). The inflation outturn in Rwanda was on account of soaring prices of food and non-alcoholic beverages, while that in Burundi was driven by soaring food prices and high import prices, especially of white petroleum products.

Table 1.5: Inflation Rates in the SADC

Country	Percent						
	2018	2019	2020	2021	2022	Projections	
						2023	2024
Angola	19.6	17.1	22.3	25.8	21.4	11.7	10.8
Botswana	3.2	2.7	1.9	6.7	12.2	6.5	5.2
DRC	29.3	4.7	11.4	9.0	9.0	10.8	7.2
Eswatini	4.8	2.6	3.9	3.7	4.8	5.4	4.8
Lesotho	4.8	5.2	5.0	6.0	8.2	6.8	5.5
Madagascar	8.6	5.6	4.2	5.8	8.2	9.5	8.8
Malawi	9.2	9.4	8.6	9.3	20.8	24.7	18.3
Mauritius	3.2	0.5	2.5	4.0	10.8	9.5	6.9
Mozambique	3.9	2.8	3.1	5.7	9.8	7.4	6.5
Namibia	4.3	3.7	2.2	3.6	6.1	5.0	4.6
Seychelles	3.7	1.8	1.2	9.8	2.7	3.1	3.7
South Africa	4.6	4.1	3.3	4.6	6.9	5.8	4.8
Tanzania	3.5	3.4	3.3	3.7	4.4	4.9	4.3
Zambia	7.0	9.2	15.7	22.0	11.0	8.9	7.7
Zimbabwe	10.6	255.3	557.2	98.5	193.4	172.2	134.6
SADC average	8.0	21.9	43.1	14.6	22.0	19.5	15.6
Average (exc. Zimbabwe)	7.8	5.2	6.3	8.6	9.7	8.6	7.1

Source: National Statistics Offices and IMF, World Economic Outlook Database, April 2023

Note: DRC denotes Democratic Republic of the Congo

Table 1.6: Inflation Rates in the EAC

Country	Percent						
	2018	2019	2020	2021	2022	Projections	
						2023	2024
Burundi	-4.0	-0.7	7.3	8.3	18.9	16.0	13.0
Kenya	4.7	5.2	5.3	6.1	7.6	7.8	5.6
Rwanda	1.4	2.4	7.7	0.8	13.9	8.2	5.0
Tanzania	3.5	3.4	3.3	3.7	4.4	4.9	4.3
Uganda	2.6	2.1	2.8	2.2	6.8	7.6	6.4
EAC Average	1.6	2.5	5.3	4.2	10.3	8.9	6.8

Source: National Statistics Offices

1.3 Commodity Prices

Commodity prices in the world market exhibited a declining trend in the first half of 2023, following slowdown of global economic growth mainly in Eurozone and China and strengthening of the US dollar (Table 1.7). The world market price of crude oil eased to an average of USD 86.82 per barrel in 2022/23 compared to USD 91.07 per barrel in the preceding year. Gold price also declined to an average of USD 1,830.41 per troy ounce and is expected to further fall as advanced economies continue to tighten monetary policies. Similarly, prices of agricultural products declined considerably, with the exception of tea and robusta coffee.



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Table 1.7: World Commodity Prices

Commodity	Unit measure	2020/21	2021/22	2022/23	Percentage change
Crude oil*	USD per barrel	54.11	91.07	86.82	-4.67
Crude oil**	USD per barrel	53.07	88.66	85.07	-4.05
Robusta coffee	USD per kg	1.62	2.31	2.36	2.47
Arabica coffee	USD per kg	3.64	5.55	5.09	-8.32
Tea (Average price)	USD per kg	2.79	2.83	2.97	5.04
Tea (Mombasa auction)	USD per kg	1.95	2.78	2.34	-15.66
Cotton, "A Index"	USD per kg	1.82	2.85	2.30	-19.35
Wheat, SRW	USD per metric tonnes	252.26	346.68	284.65	-17.89
Wheat, HRW	USD per metric tonnes	268.53	399.62	388.99	-2.66
Palm oil	USD per kg	938.64	1404.35	948.94	-32.43
Urea	USD per tonnes	287.94	714.85	471.63	-34.02
DAP	USD per tonnes	443.14	747.45	646.01	-13.57
White products	USD per tonnes	472.61	873.12	895.94	2.61
Gold	USD per ozt	1850.03	1833.28	1830.41	-0.16

Source : <http://www.Worldbank.org/Prospects/commodities>,
World Bank Public Ledger, Bloomberg

Note: * denotes U.K Brent; ** f.o.b Dubai; ozt, troy ounce; SRW, Soft Red Winter; HRW, Hard Red Winter, and DAP, Di-ammonium Phosphate



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PART II

CONDUCT OF MONETARY POLICY



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Monetary Policy Performance

The thrust of the monetary policy stance for 2022/23 was to strike a balance between containing inflationary pressures whilst supporting growth and financial stability to attain broad macroeconomic objectives. The policy stance was motivated by the need to contain the headwinds from the effects of global shocks portrayed in high import prices, decline in foreign reserves, shortage of foreign exchange, and rising borrowing costs in the international financial markets. In this regard, the Bank of Tanzania set out the following monetary policy targets:

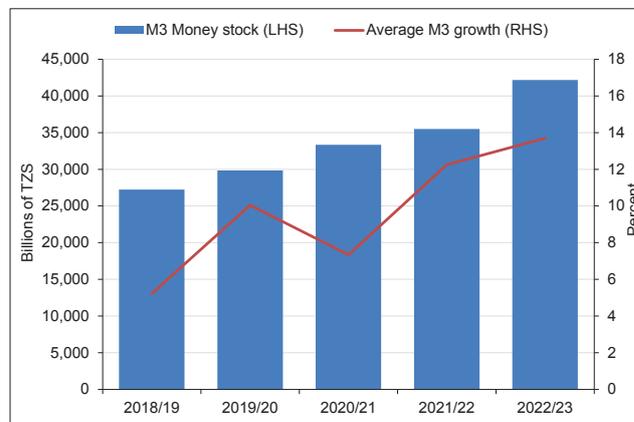
- i Annual growth of average reserve money of 11.4 percent;
- ii Annual growth of extended broad money (M3) of 10.3 percent;
- iii Annual growth of credit to the private sector of 10.7 percent; and
- iv Maintaining foreign exchange reserves adequate to cover at least 4 months of imports.

To attain the aforementioned objectives, the Bank used multiple monetary policy instruments, including repurchase agreements (repo), Treasury bills for liquidity management and participation in the interbank foreign exchange market.

The monetary policy was successful in maintaining adequate liquidity in banks, consistent with the requirements by different economic activities. The conduct of monetary policy, supported by fiscal policy measures and improved business environment, contributed to the high growth of credit to the private sector, without causing undue inflationary pressures to the economy.

Annual growth of monetary aggregates was broadly in line with the targets. Extended broad money supply (M3) grew at an average of 13.7 percent in 2022/23 from 12.2 percent in 2021/22, slightly above the target of 10.3 percent (Chart 1.1). This outturn was attributable to recovery of economic activities manifested in the growth of credit to the private sector that recorded an average growth of 22.2 percent, compared with 9.9 percent in 2021/22 (Chart 1.2)

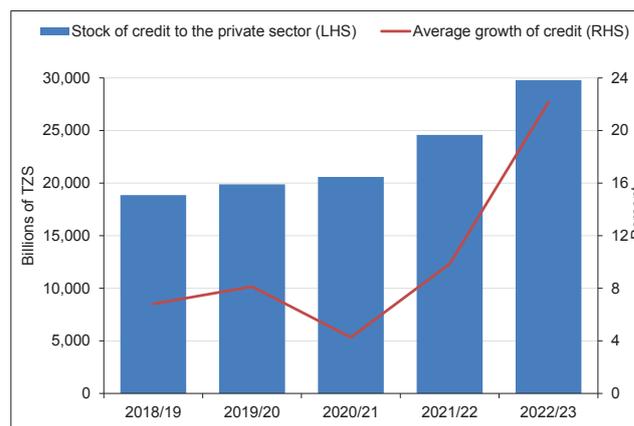
Chart 1.1: Money Supply



Source: Bank of Tanzania and banks

Note: RHS denotes right-hand side; and LHS, left-hand scale

Chart 1.2: Credit to Private Sector



Source: Bank of Tanzania and banks

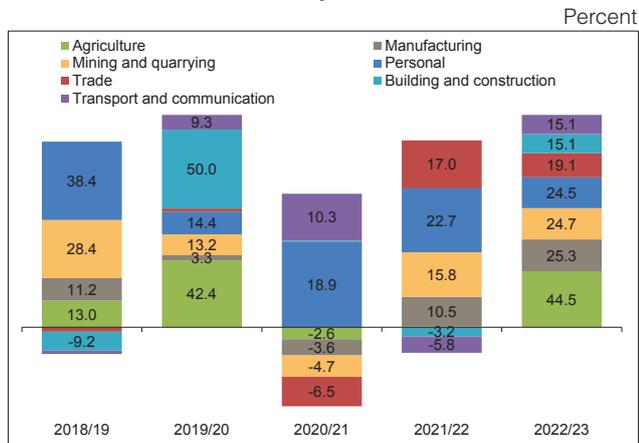
Note: RHS denotes right-hand side; and LHS, left-hand scale

In terms of credit composition by economic activities, agriculture sustained the fastest growth, averaging 44.5 percent (Chart 1.3a). This was largely accredited to loans extended to banks and financial institutions through the TZS 1 trillion loan facility that was initiated by the Bank in July 2021, coupled with other policy incentives to improve productivity in agriculture. Personal loans continued to account for the largest share of the outstanding credit, followed by credit for trade, manufacturing and agricultural activities (Chart 1.3b).



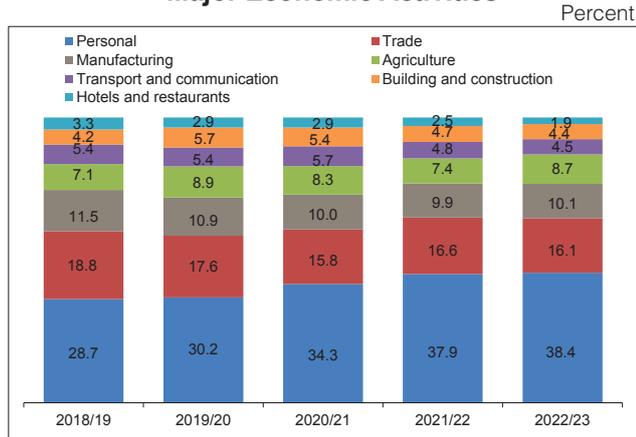
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Chart 1.3a: Annual Growth Rates of Credit to Major Economic Activities



Source: Banks and Bank of Tanzania computations

Chart 1.3b: Share of Outstanding Credit to Major Economic Activities

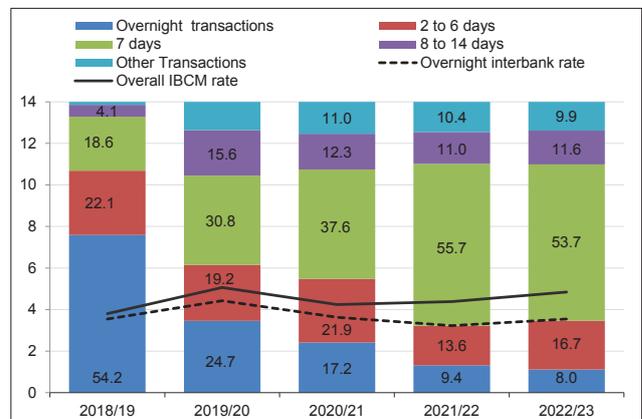


Source: Banks and Bank of Tanzania

Note: Other economic activities include fishing, forestry, hunting, financial intermediaries, mining and quarrying, real estate, mortgage, leasing, tourism, warehousing and storage, gas, water, education and health

In response to the conduct of monetary policy, the overnight interest rate increased to an average of 3.55 percent in 2022/23 from 3.22 percent in the preceding year, while overall interest rate rose to 4.84 percent from 4.39 percent. Transactions in the interbank cash market increased to TZS 22,788.4 billion from TZS 21,531.2 billion in 2021/22, with 7-day tenure accounting for more than half of the market turnover (Chart 1.4).

Chart 1.4: Inter-Bank Cash Market Transactions



Source: Bank of Tanzania

Interest rates charged by banks on loans and those offered on deposits remained generally unchanged from the rates recorded in the preceding year, with the overall lending rate averaging 16.04 percent and the overall time deposit rate averaging 7.19 percent (Table 1.1). Interest rates charged on loans and deposits of prime customers also remained unaltered at an average of 13.77 percent and 9.37 percent, respectively. This outturn is partly associated with structural impediments, which are being addressed through reforms.

Table 1.1: Selected Interest Rates

Interest rate	2018/19	2019/20	2020/21	2021/22	2022/23
Savings deposit rate	2.55	2.35	2.35	1.55	1.73
Overall time deposits rate	7.58	6.98	6.75	6.80	7.19
One- year deposit rate	8.33	8.65	8.43	8.03	8.62
Negotiated deposit rate	8.97	9.20	9.18	9.66	9.37
Overall lending rate	17.14	16.80	16.60	16.41	16.04
One- year lending rate	17.61	16.22	15.80	16.73	16.90
Negotiated lending rate	15.21	13.93	13.75	13.99	13.77
Margin between one year lending and deposit rates	9.28	7.57	7.37	8.70	8.28

Source: Banks and Bank of Tanzania computations

In a move to enhance monetary policy effectiveness, the Bank is set to adopt a price-based monetary framework in January 2024. See Box 1 for more details.



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BOX 1: TRANSITION TO INTEREST RATE-BASED MONETARY POLICY FRAMEWORK

Since 1995 the Bank pursued monetary targeting policy framework, which uses reserve money as an operating target, to influence money supply to achieve the low and stable inflation. The Bank's shift to interest rate-based framework in January 2024 aims to address two key issues: first, the diminishing relationship between money supply and crucial policy factors such as inflation and output due to financial innovations, and second, the declining effectiveness of monetary policy transmission under the current monetary targeting framework.

It is worth noting that the monetary policy objectives and instruments will remain unchanged in the new framework. The notable difference lies in the method of implementation, emphasizing the policy rate as the primary tool, rather than relying predominantly on reserve money. This transition underscores a commitment to enhance the responsiveness and efficacy of monetary policy in an evolving economic landscape.

Details of the new framework are available in the Guidelines for the Monetary Policy Framework, 2023 on the Bank's website.



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PART III

DOMESTIC ECONOMIC PERFORMANCE



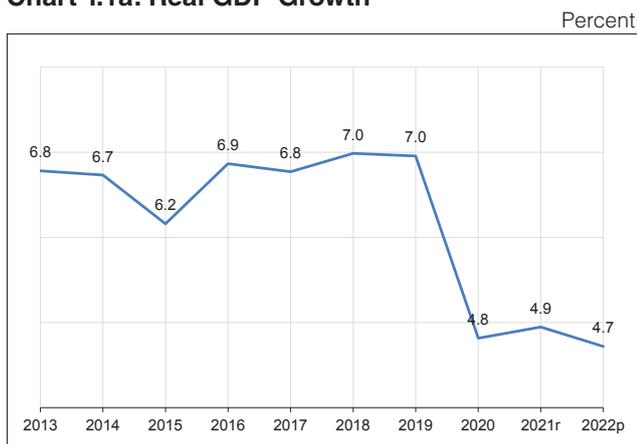
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1.0 Economic Developments

1.1 Output and Prices

In 2022, growth of the economy was satisfactory despite the challenging global economic environment and lingering effects of COVID-19. In real terms, Gross Domestic Product (GDP) increased to TZS 141.9 trillion in 2022 from TZS 135.5 trillion in 2021, equivalent to a growth of 4.7 percent, which is consistent with the annual projection for 2022 (Chart 1.1a).¹ This outturn was largely on account of public and private investment, the diversified nature of the economy, and government interventions to cushion the economy from the effects of the global shocks, including measures to improve the business environment.

Chart 1.1a: Real GDP Growth

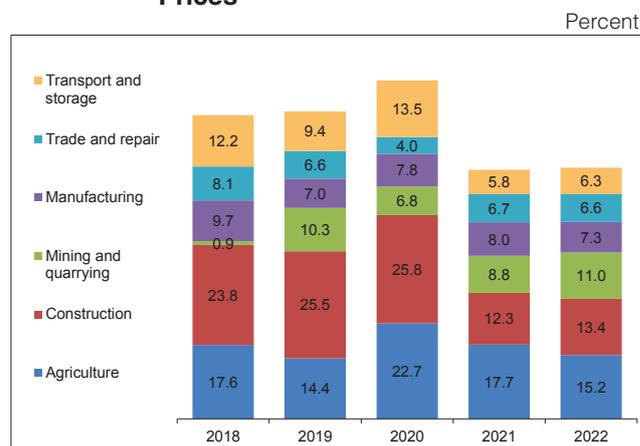


Source: National Bureau of Statistics

Note: r denotes revised data, and p, provisional data

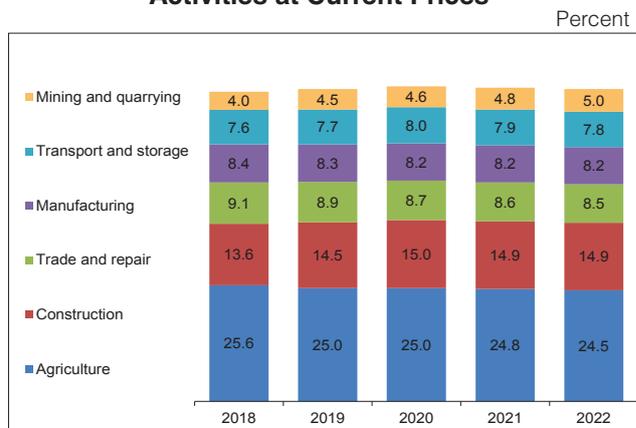
Growth was mainly contributed by agriculture, construction, and mining activities (Chart 1.1b). Whereas improved construction and agricultural activities were respectively explained by public spending on infrastructural projects and deliberate efforts to boost agriculture, including enhancing credit to agriculture; the performance of mining activities was partly associated with increased production of minerals especially gold and coal reflecting increased demand in the global market. These activities, along with trade, manufacturing, and transport, accounted for the largest shares of nominal GDP (Chart 1.1c).

Chart 1.1b: Contribution to GDP Growth by Selected Activities at Constant 2015 Prices



Source: National Bureau of Statistics

Chart 1.1c: Shares of GDP by Selected Activities at Current Prices



Source: National Bureau of Statistics

In nominal terms, GDP was TZS 170.3 trillion, higher than TZS 156.4 trillion in 2021. Per capita GDP increased to TZS 2,844,641 in 2022 from TZS 2,708,999 in 2021. In 2023, the economy is projected to grow by 5.2 percent on account of improving economic conditions.

Agriculture

Agriculture, comprising crops, livestock, forestry, and fishing, grew by 3.3 percent, albeit lower than 3.9 percent in 2021, attributed to adverse weather conditions, particularly delayed and uneven distribution of rains in some parts of the country.

¹ Detailed information on GDP is available in the statistical annex tables.



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Government's efforts to enhance availability of agricultural inputs including quality seeds and subsidized fertilizers; improving agricultural marketing systems; and rehabilitation and construction of new irrigation schemes are expected to provide more impetus for improved growth of agriculture activity going forward.

Industry and Construction

Growth in industry and construction activity remained the same at 5.5 percent as in 2021, with mixed performance of sub-activities. Construction, and mining and quarrying sub-activities improved, while growth in manufacturing, water supply and electricity slowed down. Growth in construction was due to increased pace of implementation of Government flagship projects including Standard Gauge Railway, roads and bridges. As for mining and quarrying, growth was mainly driven by increase in production of minerals, particularly gold and coal. The increased production of coal was on account of a rise in external demand, as an alternative source of energy, following high cost of natural gas, particularly in Europe and neighbouring countries.

The decrease in growth of manufacturing was mainly associated with the impacts of ongoing war in Ukraine that affected production costs, while decrease in water supply sub-activity was due to presence of drought in some parts of the country. The growth in electricity sub-activity also decelerated due to high fuel prices and drought in some parts of the country. Total electricity distributed for consumption in 2022 was 7,841.8 million kWh, a decrease from the 8,690.1 million kWh in 2021 (Table 1.1).

Table 1.1: Electricity Generation and Imports

	'000' kWh				
Source of power	2018	2019	2020	2021	2022
Domestic production	7,258,730.0	7,690,893.9	7,748,647.9	8,561,083.3	7,689,902.9
Hydropower	2,254,656.2	2,480,005.4	3,139,153.6	3,084,610.3	2,497,555.2
Thermal power	4,989,479.5	5,196,536.8	4,590,716.2	5,459,758.9	5,177,798.4
Diesel	119,946.9	82,316.6	81,583.0	96,512.7	24,260.6
Gas	4,869,532.6	5,114,220.3	4,509,133.2	5,363,246.2	5,153,537.8
Biomass	14,594.4	14,351.7	18,778.1	16,714.1	14,549.3
Imports	117,531.6	113,242.0	114,275.5	128,972.5	151,916.8
Uganda	87,954.4	81,123.0	79,674.5	90,865.0	105,932.2
Zambia	29,153.5	32,119.0	34,601.0	38,107.5	45,984.6
Kenya	423.7	0.0	0.0	0.0	0.0
Total electricity available for distribution	7,376,261.6	7,804,135.9	7,862,923.3	8,690,055.9	7,841,819.7

Source: Tanzania National Electricity Supply Company

² Industry and construction comprise mining and quarrying, manufacturing, construction, electricity and gas supply, water supply and sewage sub activities.

Services

Services activity recorded an annual growth of 5.2 percent in 2022, compared with 5 percent in 2021, primarily driven by trade, transport, and financial services. The growth in the activity was attributed to continued rebound of economic activities from the adverse effects of COVID-19 pandemic. Growth was more pronounced in the accommodation and food services sub-activity, which grew by 9 percent in 2022 compared with 6.7 percent. The performance of this sub-activity was reflected in an increase in the number of international tourists arrivals, which improved by 57.7 percent to 1,454,920 in 2022 from the number of tourists' in 2021. Other than the recovery of the global economy from the effects of the COVID-19 pandemic, measures implemented by the Government to promote tourism also explain the improvement in tourism-related activities.

Gross National Income

Gross National Income (GNI) experienced an upward trend for the past five years, consistent with the increase in nominal GDP and net income from abroad.⁵ In 2022, GNI was TZS 167,281.1 billion up from TZS 153,637.4 billion in 2021 (Table 1.2). Net national disposable income increased by 10.4 percent to TZS 142,416.4 billion in 2022 compared with the disposable income recorded in the preceding year. The increase in GNI indicates economic expansion driven by investments, while growth in net disposable income suggests that the population's overall economic well-being and financial resources have improved.

Table 1.2: Gross National Income at Current Market Prices

	Billions of TZS				
Nominal	2018	2019	2020	2021	2022 ^P
Gross national income (GNI)	122,543.6	132,064.2	142,528.5	153,637.4	167,281.1
GDP (at current basic price)	115,180.8	123,193.9	129,139.8	135,478.2	141,872.7
Net primary income from ROW	-1,445.8	-2,319.6	-2,901.2	-2,737.9	-2,974.5
Primary income receivable	353.2	486.1	254.9	235.6	423.6
Less primary income payable	1,799.1	2,805.8	3,156.0	2,973.5	3,398.1
Net Current Transfers from abroad	1,060.6	957.7	920.4	1,272.3	1,342.0
Current Transfers receivable	1,212.7	1,086.8	1,041.3	1,470.8	1,612.0
Less: Current transfer payable	152.1	129.1	120.9	198.5	270.0
Gross national disposable income (GNDI)	107,550.5	114,002.3	120,856.0	128,956.9	142,416.4
GDP (at current market price)	123,989.4	134,383.8	145,434.5	156,375.3	170,255.6

Source: National Bureau of Statistics

Note: p denotes provisional data; GDP, gross domestic product; and ROW, rest of the world

³ Services comprise various activities including wholesale and retail trade, and repairs, transport and storage, accommodation and food services, information, and communication, financial and insurance.

⁴ In the year ending June 2023 tourist arrivals were 1,638,850.

⁵ GNI refers to a country's GDP plus net income from abroad.

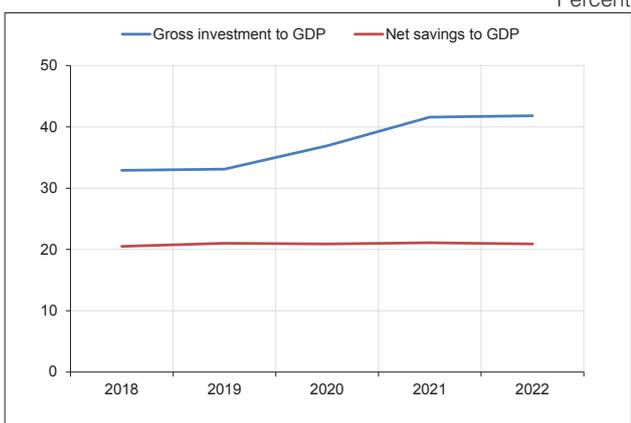


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Savings

Savings to GDP ratio was 20.9 percent in 2022 almost similar to 21 percent observed for the past five years. Over the same period, the investment to GDP ratio increased to 41.8 percent from an average of 37.3 percent (Chart 1.2).

Chart 1.2: Savings and Investment Ratios



Source: National Bureau of Statistics

Aggregate Demand

Total final consumption expenditure, a major component of aggregate demand grew at 9.6 percent in 2022, relatively higher than 7 percent in the preceding year. This was mostly contributed by household final consumption that accounted for 94.2 percent of the increase in final consumption. Gross capital formation grew by 9.5 percent largely associated with government spending on development projects (Table 1.3).

Table 1.3: Consumption, Investment and Savings at Current Market Prices

Nominal	Billions of TZS				
	2018	2019	2020	2021	2022
Final consumption	87,612.7	92,475.5	100,341.9	107,370.3	117,685.9
Government	10,468.3	10,864.7	11,263.6	11,862.4	12,414.1
Households	76,844.7	81,287.5	88,744.1	95,131.8	104,847.4
Non-profit institutions serving household	299.7	323.3	334.2	376.0	424.5
Gross capital formation (Investment)	40,639.8	46,103.6	55,949.3	63,708.2	69,775.1
Fixed capital formation	41,142.0	50,010.8	60,119.0	67,221.8	70,550.8
Changes in valuables	1,215.1	1,273.3	1,838.3	1,954.2	1,916.9
Changes in inventories	-1,717.2	-5,180.5	-6,008.0	-5,467.8	-2,692.7
Net external demand/exports	-4,843.0	-1,704.9	-1,363.7	-4,828.4	-11,719.4
Exports of goods and services	18,810.2	22,101.3	19,629.1	21,847.3	26,690.2
Imports of goods and services	23,653.2	23,806.2	20,992.7	26,675.7	38,409.6
Savings	25,417.8	28,220.6	30,395.8	32,995.2	35,583.4
Saving - Investment gap	-15,222.0	-17,883.0	-25,553.5	-30,713.0	-34,191.6
GDP (at current market price)	123,989.4	134,383.8	145,429.6	156,375.3	170,255.6
Memorandum:					
Gross capital formation to GDP	32.8	34.3	38.5	40.7	41.0
Savings to GDP	20.5	21.0	20.9	21.1	20.9
Consumption to GDP	70.7	68.8	69.0	68.7	69.1
Saving-Investment gap to GDP	-12.3	-13.3	-17.6	-19.6	-20.1

Source: National Bureau of Statistics

Note: p denotes provisional data

Inflation

Inflation averaged 4.6 percent in 2022/23, remaining within the annual target of 5.4 percent, and EAC and SADC convergence criteria.⁶ Nevertheless, the rate was slightly higher than 4 percent registered in the preceding year, primarily attributed to high food prices resulting from unfavourable weather during 2021/22 crop season and demand from neighbouring countries; and high commodity prices in the world market, particularly oil and fertilizers. Food inflation averaged 8.8 percent from 5.2 percent in the preceding year. The rise in overall inflation was moderated by non-food prices as exhibited by a decrease in core inflation to an annual average of 2.6 percent from 3.8 percent in the preceding year.⁷

Table 1.4: Average Headline Inflation and its Components

Inflation components	Percent				
	2018/19	2019/20	2020/21	2021/22	2022/23
Headline	3.2	3.5	3.3	4.0	4.6
Core	2.8	2.4	3.1	3.8	2.6
Food	1.3	4.8	3.8	5.2	8.8
Non-food	5.0	2.8	3.1	3.5	2.9
Energy and fuel	16.2	4.3	3.8	6.8	5.9

Source: National Bureau of Statistics and Bank of Tanzania computations

Inflation is projected to remain within the target for 2023/24, supported by expected moderation in global commodity prices, and prudent implementation of monetary and fiscal policies. Nevertheless, upward risks to the outlook are on extended war in Ukraine, the prospect of oil production cuts by OPEC+ countries, and the depreciation of the Shilling in the event central banks of advanced countries further hike interest rates, among others.

Food Supply

Food production for 2022/23 crop season was estimated at 20.4 million tonnes, higher compared with 17.4 million tonnes in the preceding year (Table 1.5 and Table 1.6). The increase was mainly associated with favourable weather, enhanced use of pesticides, fertilizers and high-quality seeds.

⁶ EAC and SADC convergence criteria are utmost 8 percent and a range of between 3 and 7 percent, respectively.

⁷ Core inflation accounts for 73.9 percent of the consumer price index and excludes unprocessed food, maize flour, energy and fuel.



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The estimated national food requirement for consumption in 2023/24 is 16.4 million tonnes, implying a food self-sufficiency ratio (SSR) of 124 percent, or a surplus of 4 million tonnes.⁸ This suggests adequacy food supply in the markets and a likely easing in the prices of food items in 2023/24.

Cereal production increased by 20.6 percent to 11.4 million tonnes and accounted for 56 percent of total food production. Production of maize and rice exceeds estimated requirement for 2023/24 by 1.4 million and 1.2 million tonnes, respectively (Table 1.6).

Table 1.5: Food Production and Requirement

		Tonnes				
		2018/19	2019/20	2020/21	2021/22	2022/23 ^p
Cereals	Production	9,007,909	10,869,596	10,639,990	9,493,410	11,448,757
	Requirement	8,754,119	8,754,119	9,417,888	9,537,752	10,427,327
	Gap/Surplus	253,790	2,115,477	1,222,102	-44,342	1,021,430
Non-cereals	Production	7,400,400	7,327,137	7,785,260	7,910,470	8,953,258
	Requirement	5,088,417	5,088,417	5,378,864	5,536,113	5,963,077
	Gap/Surplus	2,311,983	2,238,720	2,406,396	2,374,357	2,990,181
Total food	Production	16,408,309	18,196,733	18,425,250	17,403,880	20,402,015
	Requirement	13,842,536	13,842,536	14,796,751	15,073,865	16,390,404
	Gap/Surplus	2,565,773	4,354,197	3,628,499	2,330,015	4,011,611
	SSR	124	118	126	115	124

Source: Ministry of Agriculture

Note: SSR denotes Self-Sufficiency Ratio; p, provisional Data. Production data are for the current financial year and food requirement data are for the subsequent year.

Table 1.6: Food Production and Requirements by Crop 2023/24

		Tonnes				
Cereals	Maize	Sorghum and Millet	Rice	Wheat	Total	
Production	8,010,949	1,019,098	2,332,188	86,522	11,448,757	
Requirement	6,648,698	2,298,101	1,168,282	312,247	10,427,327	
Gap/surplus	1,362,251	-1,279,003	1,163,907	-225,725	1,021,430	
SSR	120	44	200	28	110	
Non-cereals	Pulses	Banana	Cassava	Potatoes	Total	
Production	2,802,839	1,224,144	2,575,453	2,350,821	8,953,258	
Requirement	964,739	1,095,624	2,735,480	1,167,234	5,963,077	
Gap/surplus	1,838,100	128,520	-160,027	1,183,587	2,990,181	
SSR	291	112	94	201	150	

Source: Ministry of Agriculture

Note: SSR denotes Self-Sufficiency Ratio; p, provisional data; and production data are for 2022/23 and food requirement data are for 2023/24

Meanwhile, the stock of food held by the National Food Reserve Agency (NFRA) comprising maize, paddy and sorghum amounted to 46,665 tonnes at the end of June 2023 relative to 141,576 tonnes held in the corresponding period in 2022 (Table 1.7). In 2022/23, the NFRA purchased 20,013 tonnes and sold 114,471 tonnes to households in some districts with food shortages, traders and millers.

Table 1.7: Food Stocks Held by NFRA

	Tonnes				
	2019	2020	2021	2022	2023
January	93,037	43,597	110,398	207,899	124,736
February	85,525	41,231	110,389	203,297	106,881
March	78,336	39,597	109,231	200,626	80,123
April	68,748	38,053	109,231	190,366	63,808
May	68,058	38,291	108,284	149,402	51,367
June	67,336	52,725	107,384	141,576	46,665
July	67,410	90,255	107,384	140,695	
August	68,407	92,991	123,635	144,410	
September	61,711	109,733	150,057	149,044	
October	55,853	110,895	192,408	151,794	
November	52,727	110,289	209,057	147,401	
December	52,498	110,398	214,968	137,655	

Source: National Food Reserve Agency

Prices of Food and Cash Crops

Average wholesale prices of selected food crops were higher in 2022/23 than in the preceding year, mainly associated with inadequate harvest due to unfavourable weather during 2021/22 crop season. High demand, particularly from neighbouring countries also compounded to food price increases (Table 1.8).

Table 1.8: Average Wholesale Food Crop Prices

		TZS per 100Kg				
Item	2018/19	2019/20	2020/21	2021/22	2022/23	
Maize	47,745.0	72,212.4	52,427.0	57,264.3	104,978.4	
Rice	158,742.4	175,175.6	141,316.4	169,257.4	266,435.8	
Beans	160,143.2	190,591.4	192,207.9	179,894.5	265,395.3	
Sorghum	75,527.5	104,442.6	92,482.7	108,534.2	136,323.9	
Round potatoes	77,544.4	74,083.2	72,585.9	71,544.9	93,956.4	
Finger millets	134,706.5	29,901.2	137,718.4	162,609.2	170,785.9	

Source: Ministry of Industry and Trade

Average producer prices of traditional cash crops exhibited mixed trends in 2022/23, mainly driven by demand and supply factors. Overall, most cash crops displayed ascending trend in prices, save for coffee (Arabica) and cashew nuts (Table 1.9). The decrease in prices of Arabica coffee and cashew nuts reflected a fall in prices at the global market.

⁸ Self-sufficiency ratio of between 0 and 99 percent implies inadequate food production; 100 and 119 percent, adequate; and 120 percent and above, surplus food production.



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Table 1.9: Producer Prices of Cash Crops

Period	Coffee		Seed cotton	Green tea leaf	Raw cashew nuts	Tobacco VFC	Sisal* UG
	Arabica	Robusta					
2018/19	2,210	2,210	1,200	312	3,300	3,496	1,710
2019/20	4,644	3,180	1,200	312	3,300	3,231	1,700
2020/21	5,207	3,065	900	312	2,707	3,544	1,675
2021/22r	7,500	1,350	1,560	320	2,116	3,563	1,660
2022/23 ^p	5,750	2,000	2,000	366	2,020	5,755	3,500

Source: Ministry of Agriculture and Crop Boards

Note: VFC denotes Virginia flue cured; UG, under grade; r, revised data; p, provisional data; and *sisal prices are in USD per tonne.

1.2 Financial Markets

During 2022/23, the Bank continued to support the development of money and capital markets to improve the effectiveness of monetary policy transmission while at the same time providing investment avenues. Some of the strides undertaken include signing of memorandum of understanding with Frontclear—a development finance company. The company offers umbrella credit guarantee facility for interbank collateralized transactions (Tradeclear) to mitigate counterparty credit risk and facilitate banks' access to global and local money markets.

In addition, a formal yield curve was launched by the Bank in collaboration with Dar es Salaam Stock Exchange (DSE) and Financial Markets Association to complement the benchmark bond program that was launched in 2021/22. Moving ahead, the Bank focuses on improving the yield curve and price discovery by attracting investors from the EAC and SADC regions, and Tanzanian Diaspora to participate in the country's financial market.

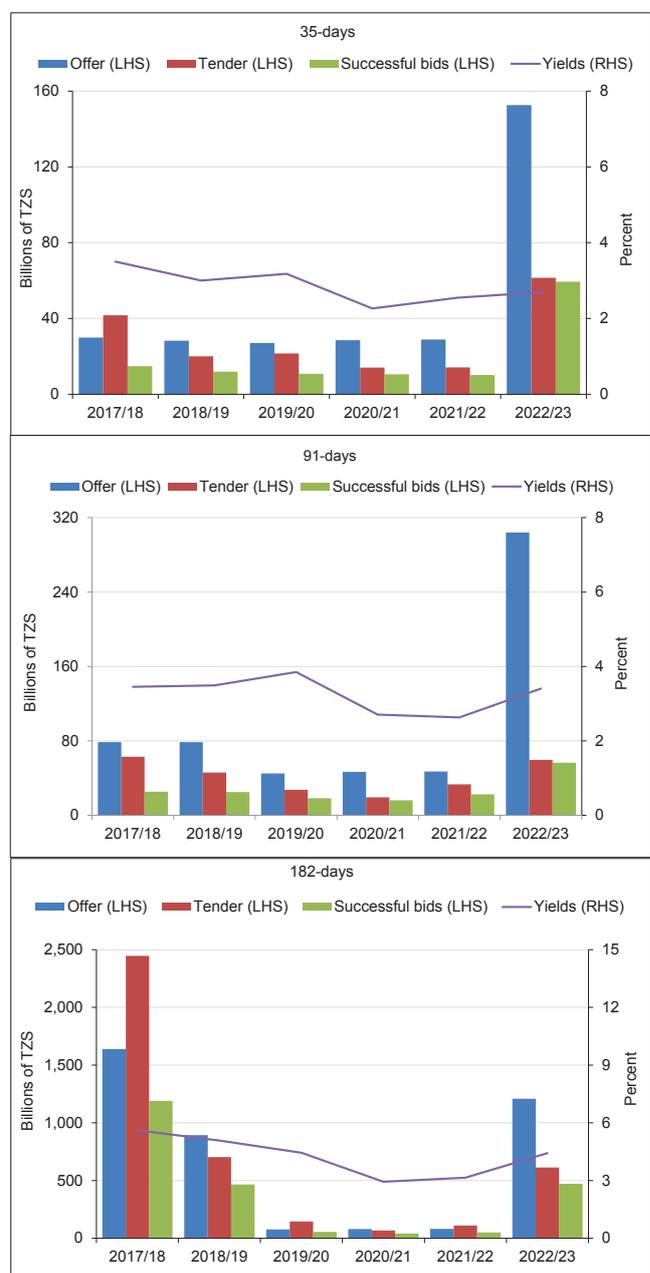
Government Securities Market

The Bank issued government securities in line with the issuance plan, primarily to finance the budget, and for liquidity management consistent with the monetary policy stance. Overall, government securities auctions were oversubscribed, with investors' preference biased on longer maturities.

Treasury bills auctions were dominated by the 364-day tenure, accounting for about 79 percent of the total Treasury bills tendered. In 2022/23, the

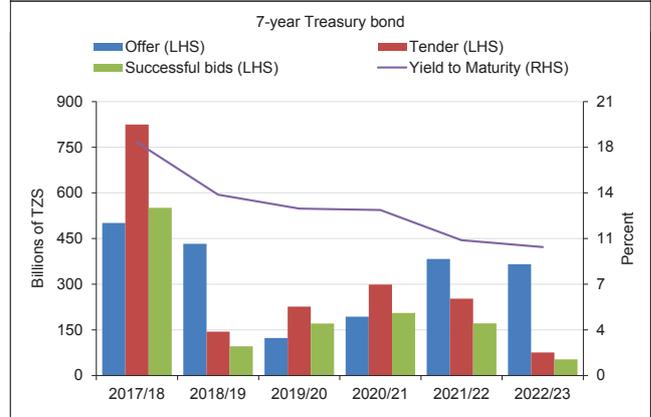
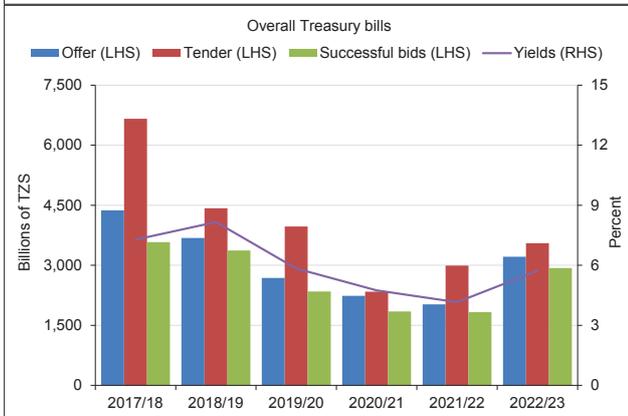
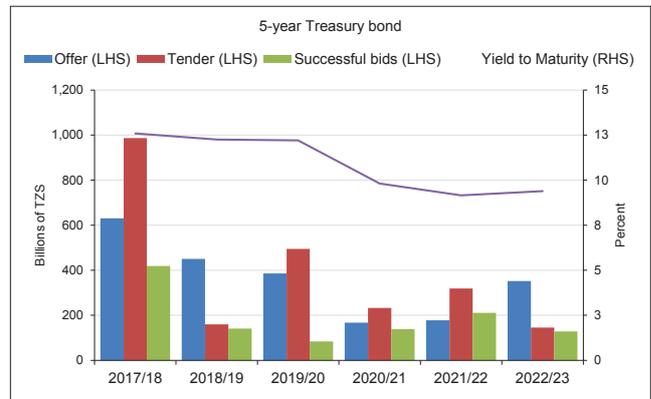
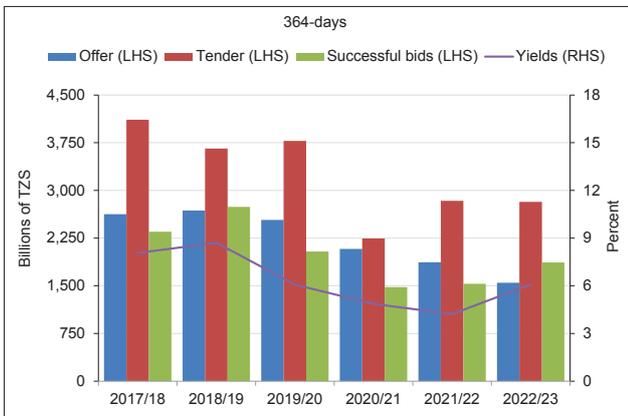
Bank offered Treasury bills worth TZS 3,214.7 billion compared with TZS 2,025.6 billion in 2021/22. The increase was mainly on account of additional Treasury bills for monetary policy purposes. Bids amounting to TZS 3,553.8 billion were tendered, of which TZS 2,934.4 billion were successful. Meanwhile, Treasury bills worth TZS 2,066.5 billion matured, compared with TZS 1,855.4 billion in the preceding year. Overall, Treasury bills yields increased to an average of 5.73 percent, relative to 4.16 percent in 2021/22 (Chart 1.3).

Chart 1.3: Performance of Treasury Bills





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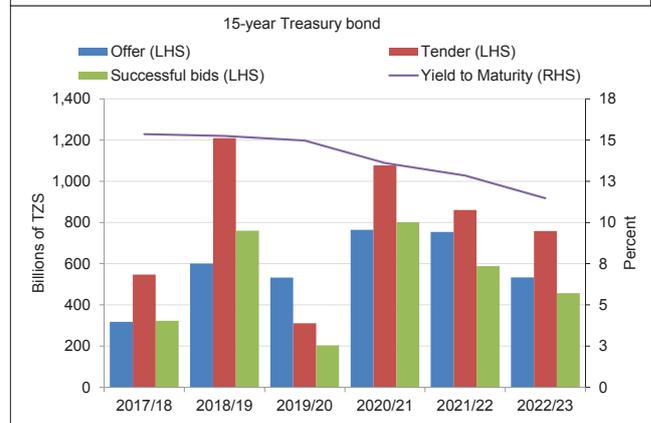
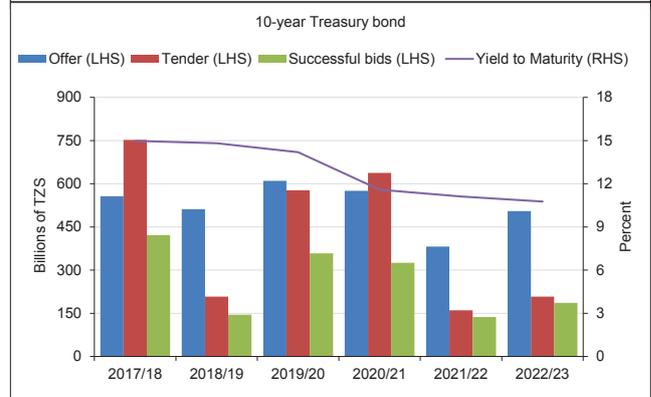
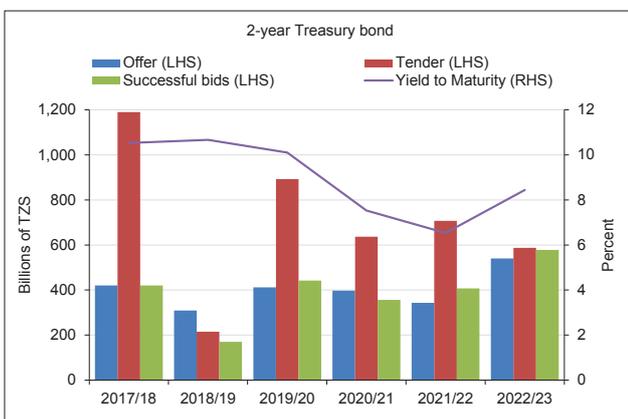


Source: Bank of Tanzania

Note: LHS denotes left hand scale; RHS, right hand scale; and WAY, weighted average yield

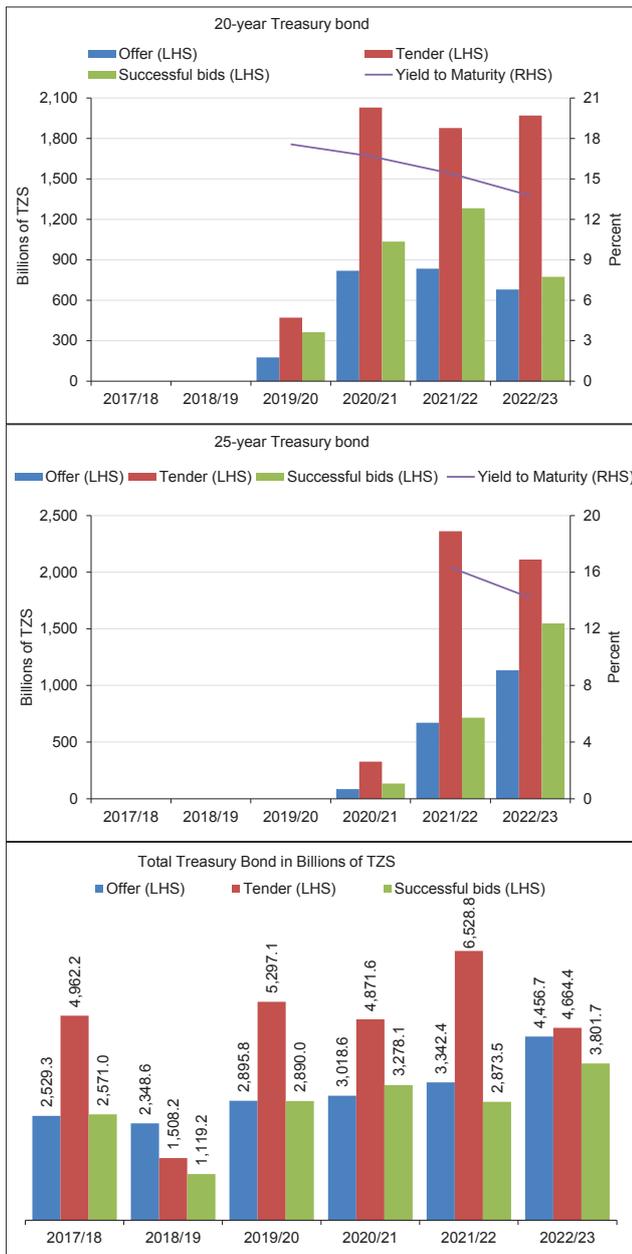
In the Treasury bonds market, the Bank offered bonds worth TZS 4,456.7 billion, for Government budgetary financing. Total bids amounted to TZS 4,664.4 billion, of which TZS 3,081.7 billion were successful. Yields to maturity declined nearly across all maturities, in line with adequate level of liquidity in the market, implying a general decline in borrowing costs (Chart 1.4).

Chart 1.4: Treasury Bonds Performance





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Source: Bank of Tanzania

Note: LHS denotes left-hand scale; and RHS, right-hand Scale; and WAY, weighted average yield

Corporate Bond and Equity Markets

The corporate bond market remained resilient and stable, characterized by robust trading in terms of product varieties, new issuance and turnover. Notably, the traded corporate bonds increased to TZS 981.9 million from TZS 821 million in 2021/22, attributed to sustained confidence of investors in fixed-income securities. During the period, two commercial banks issued corporate bonds worth TZS 49.9 billion.

In the equity market, the performance was low, largely explained by the rise in monetary policy rates to contain inflationary pressures in advanced economies that prompted foreign investors to sell their shares. In addition, some investors opted to shift their investment portfolios from stocks to fixed-income securities and collective investment schemes, which are perceived to be less risky by investors. As a result, turnover in the equity market decreased to TZS 107.6 billion from TZS 126.6 billion in the preceding year.

The market capitalization at DSE was TZS 15,010.4 billion, lower by 3.9 percent from the level in 2021/22, mostly attributed to the decrease in share prices of cross-listed companies. In contrast, domestic market capitalization grew by 4.2 percent, reaching TZS 10,825.7 billion, signalling increased confidence among investors in the overall performance of listed companies. Tanzania Share Index (TSI), which tracks the performance of domestically listed companies, increased by 4.2 percent to 4,091.8 points, implying improved strength and stability of the listed companies in the stock exchange market.

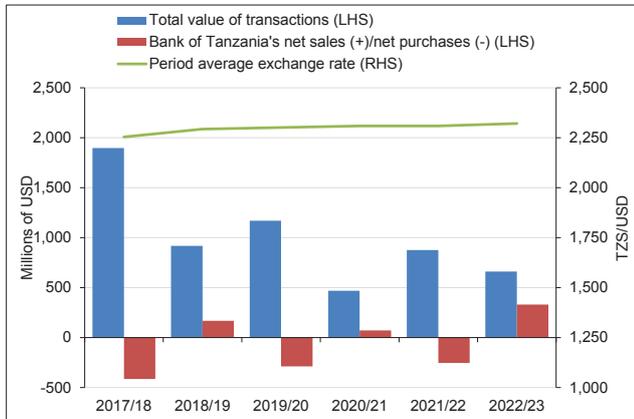
Foreign Exchange Market

The interbank foreign exchange market was active, albeit characterized by low transactions. Deteriorating balance of payments position due to global economic and financial challenges largely explain slow inflow of foreign exchange and the overall poor performance of the market. To minimize the impact on the economy, the Bank implemented several interventions including participation in the interbank foreign exchange market and conducting currency swaps with banks. The Bank sold USD 331 million in the interbank foreign exchange market to support import demand and liquidity management (Chart 1.5).



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Chart 1.5: Inter-Bank Foreign Exchange Market Transactions

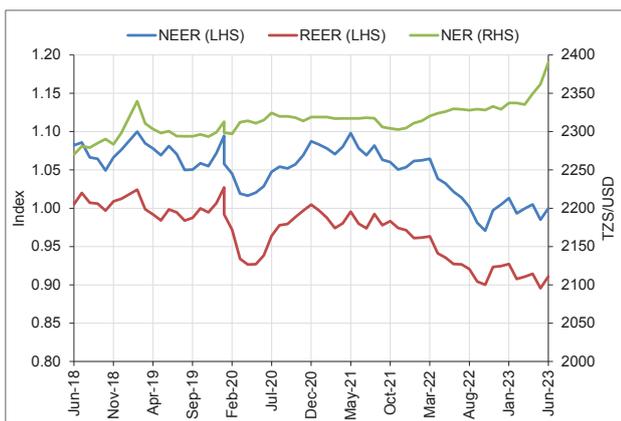


Source: Bank of Tanzania

Note: LHS denotes left-hand scale; and RHS, right-hand Scale

As a result of the measures taken by the Bank, the value of the Shilling remained stable against the major trading currencies throughout 2022/23, recording annual depreciation of less than one percent against USD. Due to modest depreciation of nominal effective exchange rate, and low inflation differential, real effective exchange rate evolved close to its equilibrium, implying an absence of significant misalignment (Chart 1.6a and 1.6b).

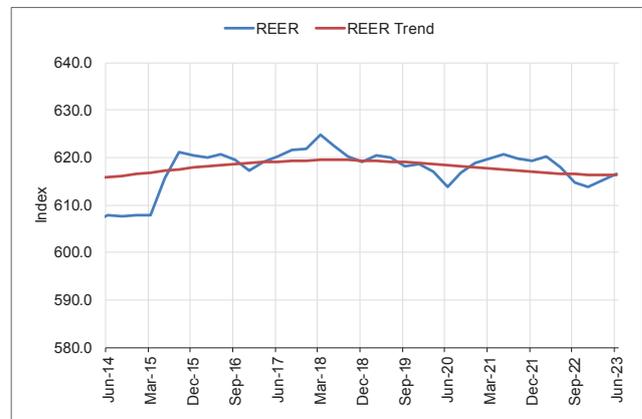
Chart 1.6a: Trade-Weighted Exchange Rates⁹ Movement



Source: Bank of Tanzania

⁹ NEER is measured as a weighted sum of exchange rates with trading partners and competitors.

Chart 1.6b: REER Movement and Long-Term Trend



Source: Bank of Tanzania

Note: LHS denotes left-hand scale; and RHS, right-hand Scale

To improve the conduct of foreign exchange market and balance of payments position, the Bank embarks on accumulating foreign reserves through purchasing gold using local currency, reviewing bureau de change regulations, developing code of conduct for retail foreign exchange market and emphasizing on residents to transact using Tanzanian shillings within the country.

1.3 Government Budgetary Performance

The Government's budgetary operations were broadly in line with the approved budget for 2022/23, notwithstanding the spillover effects of the war in Ukraine and the tightening of global financial market conditions. As such, resources were consistent with the set targets and Government expenditure was aligned with the available resources.

Revenue and Grants

During 2022/23, domestic revenue was TZS 26,241.8 billion, equivalent to 93.7 percent of the budget estimates and 14.2 percent of GDP. Of the total collections, Central Government's revenue amounted to TZS 25,256.8 billion, and the balance was collected by Local Government Authorities from own sources.¹⁰

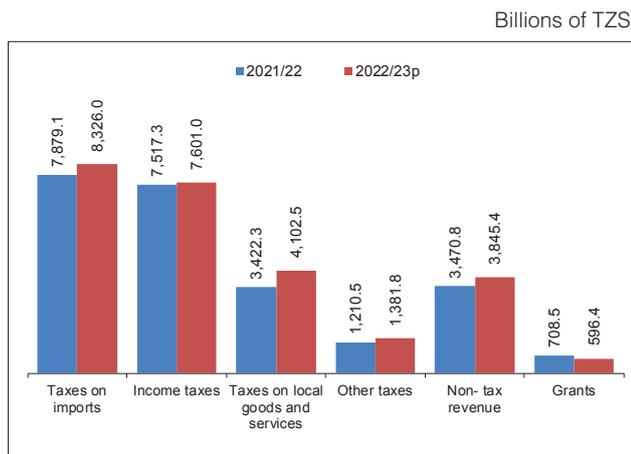
¹⁰ Provisional GDP for 2022/23 is estimated at TZS 184,566,197.9 million.



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Tax revenue was TZS 21,411.4 billion, about 85 percent of the central government revenue, and equivalent to 11.6 percent of GDP, while non-tax revenue amounted to TZS 3,845.4 billion. The Government also received grants amounting to TZS 596.4 billion (Chart 1.7).¹¹

Chart 1.7: Government Resources

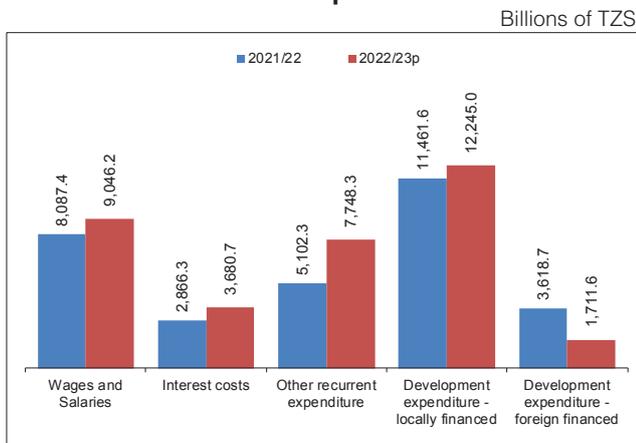


Source: Ministry of Finance
Note: p denotes provisional data

Expenditure

During 2022/23, the government expenditure was TZS 34,431.7 billion, which was 18.7 percent of GDP. Out of the total expenditure, recurrent expenditure was TZS 20,475.1 billion, and the balance was spent on development projects, whose 87.7 percent was from domestic sources (Chart 1.8).

Chart 1.8: Government Expenditure



Source: Ministry of Finance
Note: p denotes provisional data

Financing of Budget Deficit

Government fiscal operations resulted into a deficit of TZS 7,682.2 billion, equivalent to 4.2 percent of GDP. The deficit was financed through foreign and domestic borrowing of TZS 3,084.7 billion and TZS 4,597.5 billion, respectively.

National Debt

The stock of national debt increased to USD 42,440.6 million from USD 38,265.6 million in 2021/22, of which 70.7 percent was external debt (Chart 1.9). The increase was driven by borrowing to finance strategic infrastructure projects, including the standard gauge railway and the Julius Nyerere hydropower dam. Notwithstanding the increase, Tanzania's debt burden indicators remained below the thresholds, and it is rated as having a moderate risk of debt distress (Table 1.10).

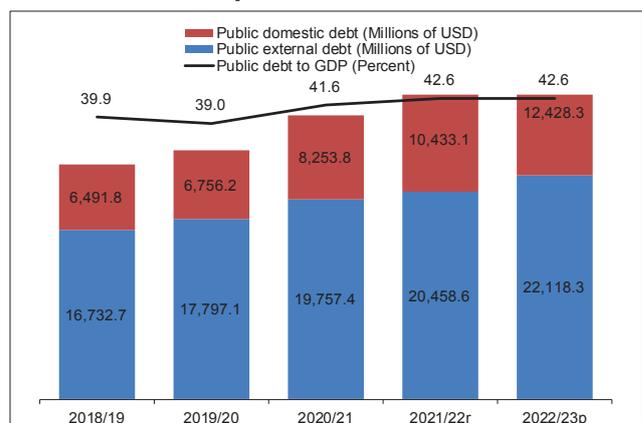
Table 1.10: Selected Public Debt Sustainability Indicators

Indicators	Threshold	2020/21	2021/22	2022/23	2023/24	2024/25
PV of external debt-to-GDP ratio	40	18.8	18.8	18.7	18.8	18.8
PV of total public debt-to-GDP ratio	55	31.0	31.8	31.8	31.5	30.7
PV of debt-to-exports ratio	180	142.4	132.9	117.4	108.5	102.8
Debt service-to-exports ratio	15	14.8	14.9	11.5	9.4	9.2
Debt service-to-revenue ratio	18	14.6	14.2	12.1	10.6	10.9

Source: Ministry of Finance, Tanzania National Debt Sustainability Analysis, December 2022

Note: PV denotes present value

Chart 1.9: Developments in Public Debt



Source: Ministry of Finance and Bank of Tanzania
Note: r denotes revised data; and p, provisional data

¹¹ Grants include project and basket funds.

¹² Expenditure excludes amortization.



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External Debt

External debt increased by USD 2,179.8 million to USD 30,012.3 million at the end of June 2023 from the amount recorded in the corresponding period in 2022, with central government constituting 73.7 percent (Table 1.11). In terms of creditors, the portfolio remains dominated by multilateral institutions, followed by commercial sources (Table 1.12). During 2022/23, external debt worth USD 3,229.5 million was disbursed, out of which, 92.9 percent was received by the Government and the balance by the private sector. In terms of debt service, USD 1,770 million was paid, out of which, 74.9 percent was principal repayments and the balance was interest payments.

Table 1.11: External Debt Stock by Borrower Category

Borrower	Millions of USD					
	Jun-21		Jun-22		Jun-23	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	19,703.1	77.2	20,428.9	73.4	22,085.1	73.6
DOD	18,640.1	73.0	19,330.0	69.5	20,966.8	69.9
Interest arrears	1,063.0	4.2	1,098.9	3.9	1,118.3	3.7
Private sector	5,761.9	22.6	7,374.0	26.5	7,894.0	26.3
DOD	4,573.6	17.9	6,039.2	21.7	6,334.0	21.1
Interest arrears	1,188.3	4.7	1,334.8	4.8	1,560.0	5.2
Public corporations	54.3	0.2	29.7	0.1	33.2	0.1
DOD	37.2	0.1	23.7	0.1	23.7	0.1
Interest arrears	17.1	0.1	6.0	0.0	9.5	0.0
External debt stock	25,519.3	100.0	27,832.5	100.0	30,012.3	100.0

Source: Ministry of Finance and Bank of Tanzania

Note: DOD denotes disbursed outstanding debt

Table 1.12: External Debt by Creditor Category

Creditor	Millions of USD					
	Jun-21		Jun-22		Jun-23	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	10,741.8	46.8	12,770.7	45.9	14,457.3	48.2
DOD	10,703.3	46.6	12,707.0	45.7	14,441.9	48.1
Interest arrears	38.5	0.2	63.7	0.2	15.4	0.1
Bilateral	2,083.3	9.1	2,264.7	8.1	2,214.9	7.4
DOD	1,113.4	4.9	1,165.8	4.2	1,096.6	3.7
Interest arrears	969.9	4.2	1,098.9	3.9	1,118.3	3.8
Commercial	7,573.4	33.0	8,130.4	29.2	8,325.8	27.8
DOD	7,051.8	30.7	7,406.0	26.6	7,458.8	24.9
Interest arrears	521.6	2.3	724.4	2.6	867.0	2.9
Export credit	2,554.2	11.1	4,666.7	16.8	5,014.3	16.7
DOD	2,089.9	9.1	4,114.0	14.8	4,327.2	14.4
Interest arrears	464.3	2.0	552.7	2.0	687.1	2.3
External debt stock	22,952.7	100.0	27,832.5	100.0	30,012.3	100.0

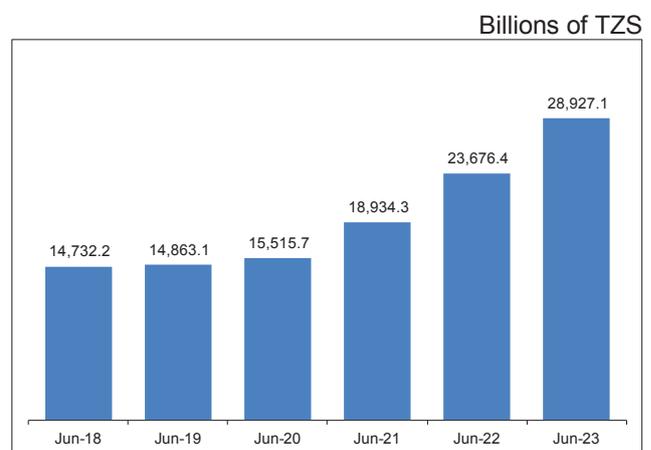
Source: Ministry of Finance and Bank of Tanzania

Note: DOD denotes disbursed outstanding debt; and p, provisional data

Domestic Debt

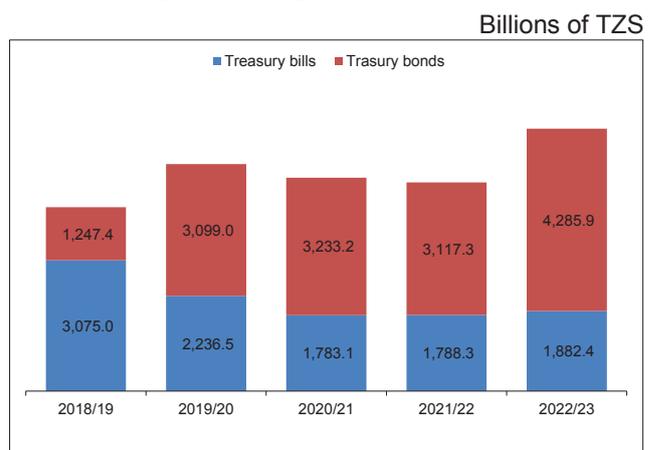
The stock of domestic debt at the end of June 2023 was TZS 28,927.1 billion, an increase of TZS 4,887.3 billion from the amount recorded at the end of June 2022, attributed to growing financing needs for development projects (Chart 1.10). Treasury bonds constituted the largest part of the debt, at 77.1 percent (Table 1.13). During 2022/23, the Government raised a total of TZS 6,168.4 billion from the domestic market, of which TZS 4,285.9 billion was through Treasury bonds and TZS 1,882.4 billion was through Treasury bills (Chart 1.11).

Chart 1.10: Domestic Debt Stock



Source: Ministry of Finance and Bank of Tanzania

Chart 1.11: Domestic Debt Issued



Source: Ministry of Finance and Bank of Tanzania



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Table 1.13: Domestic Debt by Instruments

Billions of TZS

Instrument	Jun-21		Jun-22		Jun-23	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	16,579.4	87.6	21,894.4	91.1	24,682.3	85.3
Treasury bonds	14,551.8	76.9	19,883.9	82.7	22,300.2	77.1
Treasury bills	1,774.9	9.4	1,757.8	7.3	2,129.2	7.4
Government stocks	252.7	1.3	252.7	1.1	252.7	0.9
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-securitized debt	2,354.9	12.4	2,145.4	8.9	4,244.8	14.7
Other liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	2,336.5	12.3	2,127.0	8.8	4,226.4	14.6
Domestic debt stock (excluding liquidity papers)	18,934.3	100.0	24,039.8	100.0	28,927.1	100.0

Source: Ministry of Finance and Bank of Tanzania

Note: * includes NMB bank Plc standard loan and duty draw back

With respect to holders of the domestic debt, pension funds and commercial banks held the largest shares, and each had almost equal share of about 29 percent of the domestic debt stock, followed by the Bank of Tanzania, at 22 percent (Table 1.14).

Table 1.14: Domestic Debt by Holders

Billions of TZS

Holder	Jun-21		Jun-22		Jun-23	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	5,840.2	30.8	6,715.2	27.9	8,280.4	28.6
Bank of Tanzania	3,481.7	18.4	4,722.2	19.6	6,352.1	22.0
Pension funds	4,774.8	25.2	7,513.5	31.3	8,313.9	28.7
Insurance	1,484.0	7.8	1,458.0	6.1	1,554.5	5.4
BOT's special funds	376.2	2.0	405.2	1.7	456.8	1.6
Others	2,977.5	15.7	3,225.7	13.4	3,969.3	13.7
Domestic debt stock (excluding liquidity papers)	18,934.3	100.0	24,039.8	100.0	28,927.1	100.0

Source: Ministry of Finance and Bank of Tanzania

Domestic debt that fell due for payment in 2022/23 was TZS 5,467.2 billion, out of which TZS 3,199.6 billion was principal repayment, which was rolled over and the balance was interest payment that was paid out of government resources.

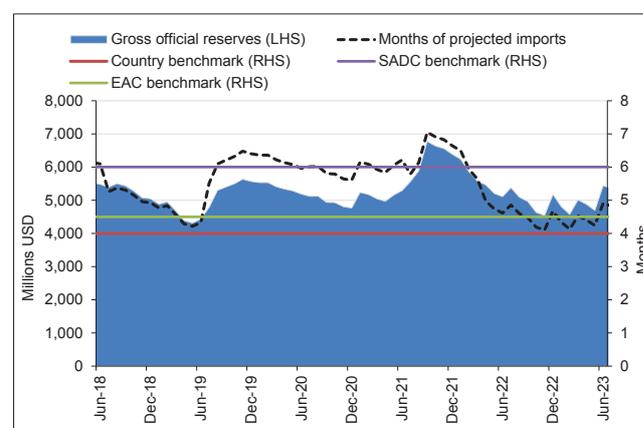
1.4 External Sector Performance

The external sector was battered by a series of severe and mutually reinforcing shocks, notably lagged effects of COVID-19 pandemic and the war in Ukraine, which resulted into energy crisis and high inflation in most trading partners.

These challenges coupled with measures taken by the advanced economies central banks to curb inflationary pressures are manifested in external sector in various fronts including high import prices, shortage of foreign exchange, and rising borrowing costs in international markets. Consequently, the current account deficit widened to USD 4,860.1 million in 2022/23, equivalent to 6.1 percent of GDP, from USD 3,414.3 million (4.8 percent of GDP) in the previous year (Table 1.15).

Irrespective of global shocks, the stock of foreign exchange reserves stood at USD 5,446.1 million at the end of June 2023, sufficient to cover 4.8 months of projected imports of goods and services, within the country's target of at least 4 months and EAC's benchmark of 4.5 months (Chart 1.12). The reserves were also higher than the stock recorded at the end of June 2022 by 3.4 percent, largely driven by loans to the Government.

Chart 1.12: Foreign Exchange Reserves Targets and Import Cover



Source: Bank of Tanzania



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The current account position is expected to improve going forward on the basis of the downward trend of commodity prices in the world market observed since December 2022, the lessening aggressiveness of monetary policy tightening in advanced economies, and measures adopted by the country to address the imbalances in the current account. Also, increased earnings from tourism activities and non-traditional exports, mostly gold and coal, are expected to improve the current account position. However, downside risks remain associated with the ongoing war in Ukraine and extreme weather-related conditions that could further disrupt global supply chain, slowdown global demand, which may result into adoption of a more restrictive monetary policies.

Table 1.15: Current Account

	Millions of USD				
	2018/19	2019/20	2020/21	2021/22 ^r	2022/23 ^p
Balance on goods account	-4,132.8	-2,466.0	-2,099.8	-4,616.0	-7,100.3
Exports	4,562.8	5,868.7	6,446.8	7,097.4	7,369.5
Traditional	507.9	995.9	578.4	737.8	752.3
Non Traditional	3,640.1	4,574.9	5,557.4	5,959.1	6,211.7
o/w Gold	1,754.1	2,591.3	3,025.0	2,692.0	2,909.2
unrecorded trade	414.8	297.9	311.1	400.5	405.5
Imports f.o.b.	-8,695.6	-8,334.7	-8,546.6	-11,713.4	-14,469.8
Balance on services account	2,341.8	1,797.6	1,069.7	1,904.4	2,889.1
Receipts	4,093.5	3,478.7	2,364.5	3,906.7	5,426.5
Payments	-1,751.7	-1,681.1	-1,294.9	-2,002.4	-2,537.4
Balance on goods and services	-1,791.0	-668.4	-1,030.1	-2,711.6	-4,211.2
Exports of goods and services	8,656.3	9,347.4	8,811.4	11,004.1	12,796.0
Imports of goods and services	-10,447.3	-10,015.8	-9,841.4	-13,715.7	-17,007.2
Balance on primary income account	-804.0	-1,113.0	-1,231.1	-1,276.9	-1,289.8
Receipts	187.7	194.4	67.4	153.6	187.5
Payments	-991.7	-1,307.4	-1,298.5	-1,430.5	-1,477.4
o/w interest by the Government	-325.1	-367.1	-296.7	-397.0	-463.7
Balance on secondary income account	376.3	464.4	452.1	574.2	641.0
Receipts	435.6	518.0	513.5	684.8	755.2
o/w official inflows	68.2	203.0	76.7	92.4	96.1
Payments	-59.3	-53.6	-61.4	-110.5	-114.2
Current account balance	-2,218.8	-1,317.1	-1,809.1	-3,414.3	-4,860.1

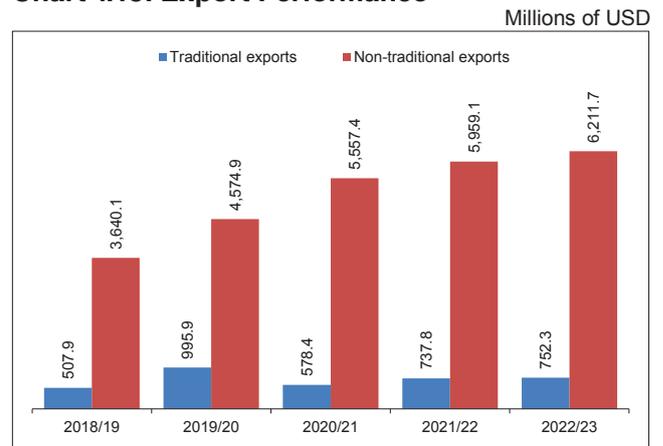
Source: Tanzania Revenue Authority, Bank of Tanzania and banks
Note: r denotes revised data; p, provisional data; f.o.b, free on board; and o/w, of which

International Trade

Exports of goods increased at a slower pace, rising by 3.8 percent to USD 7,369.5 million in 2022/23 compared with a growth of 10 percent in the preceding year. The increase was mostly driven by non-traditional exports, especially minerals such as gold and coal (Chart 1.13). Exports of non-traditional and traditional goods were USD 6,211.7 million and USD 752.3 million, in that order (Chart 1.14).

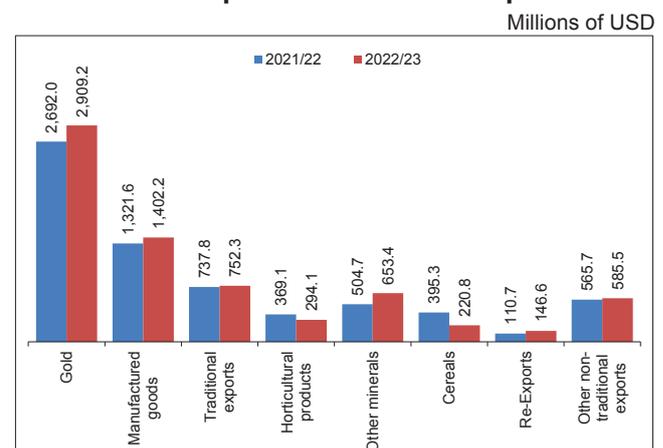
Exports of gold, which accounted for about 40 percent of goods export, increased by 8.1 percent to USD 2,909.2 million, largely owing to volume effect following expansion of production in gold mines. Coal exports also increased by more than three-folds to USD 299 million, owing to growing global demand in the wake of supply shortages associated with the war in Ukraine (Chart 1.15).

Chart 1.13: Export Performance



Source: Tanzania Revenue Authority, and Bank of Tanzania computations

Chart 1.14: Composition of Goods Exports



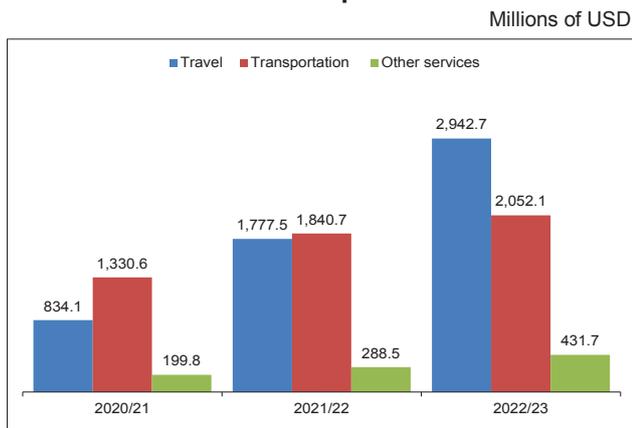
Source: Tanzania Revenue Authority and Bank of Tanzania
Note: 'other minerals' comprise Tanzanite, concentrates, and minerals other than concentrates



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Services receipts increased by 38.9 percent to USD 5,426.5 million in 2022/23, driven by earnings from travel (tourism in particular) and transport services (Chart 1.15). Tourism receipts surged to USD 2,942.7 million, 65 percent higher than earnings received in the preceding year. This performance is also consistent with the rise in tourist arrivals by 45 percent to 1,638,850 visitors.

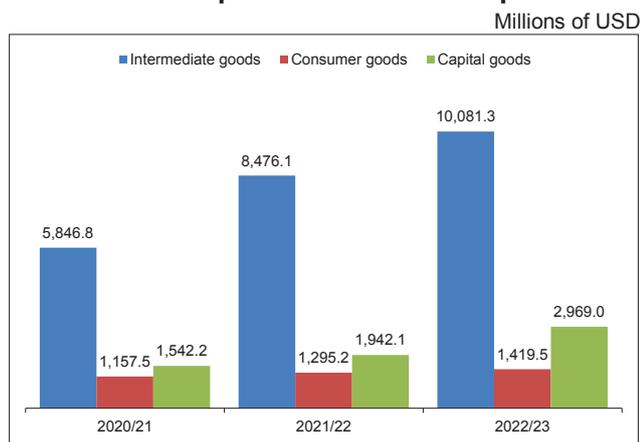
Chart 1.15: Services Receipts



Source: Banks, and Bank of Tanzania computations

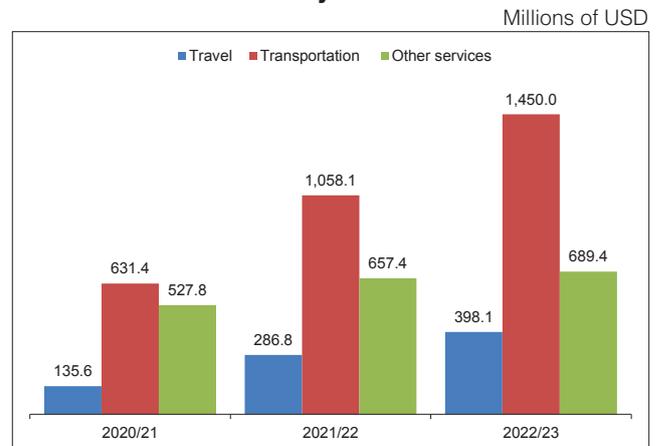
In 2022/23, the economy was faced with high import bills, largely driven by rising global commodity prices particularly petroleum products, machinery, equipment, fertilizers and freight charges. Goods imports grew annually by 23.5 percent to USD 14,469.8 million during 2022/23 (Chart 1.16). Notably, the value of imports of white petroleum products increased by 28.3 percent to USD 3,139.8 million and accounted for 21.7 percent of the total import bill of goods. In line with development of goods imports, service payments enlarged by USD 535.1 million to USD 2,537.4 million largely due to a rise in freight charges (Chart 1.17).

Chart 1.16: Composition of Goods Imports



Source: Tanzania Revenue Authority and Bank of Tanzania computations

Chart 1.17: Services Payments



Source: Banks and Bank of Tanzania computations

Income and Capital Transfers

Primary income account broadly had a deficit of USD 1,289.8 million from a deficit of USD 1,276.9 million in 2021/22.¹³ Meanwhile, a surplus of secondary income account widened to USD 641 million from USD 574.2 million, largely contributed by private transfers. The capital account recorded a surplus of USD 284.5 million, down from USD 440 million recorded in 2021/22, due to fall in capital transfers to the government.

Financial Account

The financial account recorded a surplus of USD 4,587.3 million in 2022/23 compared with USD 3,640.7 million in 2021/22, due to increase of inflows to the government. Consistent with the global trend, inflows of foreign direct investment (FDI) increased to USD 1,190.5 million in 2021 from USD 943.8 million in 2020. FDI inflows are expected to continue rising as the global economy normalises and the Government improves further the business environment.

Direction of Trade

In 2022/23, the main goods export markets were India, South Africa and the United Arab Emirates, where 43.5 percent of goods were exported (Table 1.16a). As for sources of imports, China, the United Arab Emirates and India accounted for 49.1 percent of total imports (Table 1.16b).

¹³ Primary income refers to the income that encompasses returns that accrue to institutional units for their contribution to the production process or for the provision of financial assets and renting of natural resources.



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Table 1.16a: Shares in Exports Destinations

Country	Percent				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
India	18.6	13.1	9.8	16.3	18.0
South Africa	20.4	19.5	17.4	12.3	14.8
United Arab Emirates	2.7	10.9	15.3	14.1	10.8
Switzerland	6.7	9.6	13.3	6.9	6.4
China	4.0	4.6	4.1	4.3	4.8
Democratic Republic of Congo	4.1	2.5	2.6	3.7	4.4
Kenya	6.2	3.8	4.7	6.7	4.1
Uganda	3.6	2.2	4.6	4.2	4.1
Burundi	2.0	2.0	3.0	3.1	3.0
Singapore	0.1	0.9	0.5	3.0	2.6
Belgium	5.3	3.1	1.4	1.8	2.2
Pakistan	0.8	1.5	0.9	0.9	1.3
United States	1.3	0.7	0.7	0.9	1.3
Zambia	1.8	0.8	1.1	1.1	1.3
Netherlands	2.0	1.2	1.2	1.8	1.2

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: The list comprises only top 15 export destinations; and p, provisional data

Table 1.16b: Shares in Source of Imports

Country	Percent				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
China	21.6	22.1	25.4	25.7	25.5
United Arab Emirates	9.9	10.0	11.5	14.6	12.5
India	13.5	14.6	11.9	12.7	11.1
Saudi Arabia	6.7	3.0	5.1	5.4	5.1
Japan	4.5	4.4	4.0	4.0	3.8
South Africa	4.6	4.7	4.0	3.7	3.6
Kenya	3.0	2.7	3.8	3.2	2.6
United States	3.4	3.0	2.5	2.4	2.2
Russia	1.8	2.1	1.4	1.0	2.1
South Korea	1.2	1.4	1.3	1.3	2.0
Turkey	1.9	2.5	2.4	1.8	1.7
Germany	2.7	2.7	2.6	1.8	1.6
Malaysia	0.8	1.5	0.8	1.3	1.5
Thailand	1.1	1.2	0.9	1.1	1.4
Belgium	0.6	0.8	0.7	1.0	1.2

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: The list comprises only top 15 export destinations; and p, provisional data

During 2022/23, Tanzania exported goods worth USD 1,611.2 million to SADC member countries, slightly up from USD 1,268.1 million in 2021/22. South Africa and the Democratic Republic of Congo are the leading export destinations for Tanzania, accounting for 14.8 percent and 4.4 percent of overall exports, respectively. Out of the total exports to SADC, gold accounted for more than 90 percent, of which a larger share was destined to South Africa. Other exports to SADC included textiles, fertilizers, iron and steel as well as glassware. The share of imports from SADC, continues to remain low, accounting for about 4.1 percent of the total imports in 2022/23. South Africa was the major source of imports within SADC, accounting for 3.6 percent.

Exports of Tanzania to the EAC region fell by 9.4 percent to USD 1,300.5 million in 2022/23. Imports from the EAC decreased by 1.9 percent to USD 545.2 million. Overall, Tanzania recorded a trade surplus of USD 755.2 million in 2022/23, slightly below a surplus of USD 879.6 million in 2021/22 (Table 1.17). Exported goods to EAC countries mainly comprised cereals, particularly rice and maize, iron and steel, fertilizers and cement, while major imports included iron and steel, soap and detergents, pharmaceutical products, and food and beverages for household consumption, largely sugar and sugar confectionery.



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Table 1.17: Tanzania Intra-EAC Trade

	Millions of USD				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Burundi					
Exports	84.8	113.3	186.7	204.5	206.2
Imports	0.9	0.2	0.6	0.9	3.6
Balance	83.9	113.1	186.1	203.6	202.6
Kenya					
Exports	259.1	212.8	288.0	449.2	288.8
Imports	262.6	241.9	352.3	407.0	423.2
Balance	-3.5	-29.1	-64.3	42.2	-134.4
Uganda					
Exports	150.2	119.8	282.0	283.9	286.7
Imports	51.9	82.2	81.0	141.8	113.9
Balance	98.3	37.6	201.0	142.0	172.8
Congo DRC					
Exports	170.7	137.3	158.6	250.5	306.8
Imports	0.7	1.6	2.4	3.0	2.7
Balance	170.0	135.7	156.2	247.5	304.1
Rwanda					
Exports	151.0	183.5	286.0	247.5	211.9
Imports	0.8	2.1	2.1	3.3	1.7
Balance	150.2	181.5	283.8	244.2	210.1
South Sudan					
Exports	0.1	0.0	0.0	0.0	0.0
Imports	0.0	0.0	0.0	0.0	0.1
Balance	0.1	0.0	0.0	0.0	-0.1
Total exports	816.0	766.7	1,201.3	1,435.6	1,300.5
Total imports	316.9	327.9	438.5	556.0	545.2
Trade balance	499.0	438.8	762.8	879.6	755.2

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data

Kenya was the major trading partner with Tanzania within the EAC region, accounting for 22.2 percent of the intra-EAC exports in 2022/23, down from 31.3 percent in 2021/22. The proportions have changed since the entry of DRC into the EAC. Similarly, imports from Kenya were higher compared with other EAC member countries, accounting for 77.6 percent of total intra-EAC imports, slightly lower than 73.2 percent in 2021/22 (Table 1.18).

Table 1.18: Tanzania Shares of Trade with EAC Partner States

	Millions of USD				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Exports shares:					
Kenya	31.8	27.8	24.0	31.3	22.2
Uganda	18.4	15.6	23.5	19.8	22.0
Rwanda	18.5	23.9	23.8	17.2	16.3
Democratic Republic of Congo	20.9	17.9	13.2	17.4	23.6
Burundi	10.4	14.8	15.5	14.2	15.9
South Sudan	0.0	0.0	0.0	0.0	0.0
Imports shares:					
Kenya	82.9	73.8	80.4	73.2	77.6
Uganda	16.4	25.1	18.5	25.5	20.9
Rwanda	0.3	0.6	0.5	0.6	0.3
Democratic Republic of Congo	0.2	0.5	0.5	0.5	0.5
Burundi	0.3	0.1	0.1	0.2	0.7
South Sudan	0.0	0.0	0.0	0.0	0.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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2.0 Financial Sector Performance

The financial sector remained stable, sound and resilient, despite the challenging global economic environment. In 2022/23, the Bank continued to execute its licensing, regulatory and supervisory role, including monitoring activities of supervised institutions to ensure that they abide with the regulatory requirements.

Banking Sector Performance

The banking sector, which accounts for 70 percent of the assets of the financial sector, remained well-capitalized, profitable, and with sufficient liquidity level. The sector continued to grow in terms of deposits and assets, supported by regulatory and supervisory measures, and favourable macroeconomic environment.

The number of institutions under the Bank's purview increased to 64, of which 44 were banks, while the remaining 20 were non-bank financial institutions (Table 2.1 and Table 2.2). This is an increase of three institutions from the number that was reported in 2021/22. In terms of bank branch network, the number increased to 1,003 branches in June 2023 from 993 branches in the corresponding period in 2022.

Table 2.1: Licensed Banks

Type of bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Commercial banks	34	11	23	6	28
Microfinance banks	3	0	3	0	3
Community banks	5	5	0	0	5
Development finance banks	2	2	0	0	2
Total	44	18	26	6	38

Source: Bank of Tanzania

Table 2.2: Licensed Non - Bank Financial Institutions

Type of non-bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Financial leasing	5	3	2	0	5
Mortgage financing	2	2	0	0	2
Credit reference bureau	2	0	2	0	2
Bureau de change	9	8	1	0	9
Representative offices	2	0	2	0	2
Total	20	13	7	0	20

Source: Bank of Tanzania

The banking sector performed satisfactorily, with all regulatory financial soundness indicators meeting the requirements (Table 2.3). Assets grew by 19.2 percent to TZS 50,481.4 billion from TZS 42,337.5 billion in 2021/22, mainly driven by increase in deposits and decrease in Non-Performing Loans (NPLs). The deposits grew by 18.9 percent to TZS 35,822.7 billion, largely due to mobilization efforts by banks through agent banking and digital platforms. Loans, advances, and overdrafts continued to constitute a significant share of assets, at 57.6 percent.

Table 2.3: Selected Financial Soundness Indicators

Ratios	Percent				
	As at end of June				
	2019	2020	2021	2022	2023
Core Capital/TRWA+OBSE	17.0	17.0	17.2	20.2	18.3
Total capital/TRWA+OBSE	18.9	18.0	17.9	20.2	19.0
Liquid assets to demand liabilities	34.8	33.4	33.2	28.1	25.1
Gross NPLs to gross loans	10.7	10.8	9.3	7.8	5.3
NPLs net of provisions to total capital	41.0	42.8	35.0	28.3	22.7
Return on assets	2.0	2.2	2.4	4.1	4.5
Return on equity	8.8	9.8	10.4	18.5	21.5
Net open positions to total capital	6.3	7.3	6.5	4.9	3.4

Source: Bank of Tanzania

Note: TRWA+OBSE denotes total risk-weighted assets and off-balance sheet exposures

The Bank remains committed to implementing measures that ensure banks and financial institutions enhance their credit risk management policies and take corrective actions to maintain NPLs at the desired level. These measures encompass strengthening loan recovery operations, refining the credit underwriting process and sensitize on more active sharing and usage of credit reference systems by all financial services providers to minimize exposure to credit risks.

Credit Reference Operations

The Bank continued to sensitize banks and financial institutions on the importance of sharing accurate credit information and usage of credit reference bureau services to reduce information asymmetry in credit underwriting processes and eventually reduce the level of NPLs, and support growth of credit to private sector. During the year under review, the number of non-regulated institutions that shared credit information with the bureaus increased to 118 from 114 in the preceding year, with credit enquiries scaling up by 182.3 percent to 10,375,696.



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Foreign Exchange Retail Market Performance

In 2022/23, a total of 34 commercial banks with 904 branches across the country and nine bureaux de change with 79 branches, carried out the business of buying and selling foreign currencies to the public. During 2022/23, purchases of foreign currencies were USD 7,314.04 million and sales were USD 8,702.76 million.

Agent Banking Operations

Agent banking, which aims to boost access and usage of banking services, sustained growth in terms of the number of agents, volume and value of transactions (Table 2.4). The number of banks approved to engage in agent banking increased to 31 at the end of June 2023, from 26 in the corresponding period in 2022, and bank agents increased to 88,218 from 59,291 largely explained by relaxation of eligibility criteria issued by the Bank in July 2021. The increase in usage of these channels has enhanced financial inclusion, facilitated deposits mobilization and increased the proportion of the bankable population.

Table 2.4: Agent Banking Transactions

Nature of transactions	Units	2020/21	2021/22	2022/23
Cash deposit	Volume	41,365,815	67,510,618	83,932,088
	Value in millions of TZS	28,626,506	46,161,772	68,370,527
Cash withdraws	Volume	25,974,187	40,086,794	48,005,021
	Value in millions of TZS	9,738,246	14,221,938	21,052,601

Source: Bank of Tanzania

Social Security Schemes

The Bank of Tanzania is vested with the responsibility of regulating and supervising financial matters of social security schemes—the responsibility that was well-executed during the year under review.¹⁵ The performance of these schemes improved as indicated by the increase in investment assets, members' contributions and investment income. Investment assets and members' contribution grew by 5.3 percent and 23.7 percent to TZS 16,499.3 billion and TZS 3,921.1 billion, respectively, from the amounts in the year ending June 2022. Income from investments also increased by TZS 81.9 billion to TZS 1,165.3 billion.

Non-deposit Taking Microfinance Service Providers

In discharging its licensing, regulatory and supervisory roles for microfinance service providers (MSPs), the Bank continued to collaborate with delegated authorities.¹⁶ During the period under review, the Bank licensed 451 Tier 2 MSPs, making a total of 1,307 licensed institutions under this category. The improvement was also observed in Tier 3 MSPs [Savings and Credit Cooperative Societies (SACCOS)], which are licensed by Tanzania Cooperative Development Commission (TCDC), with the number increasing by 118 to 810 SACCOS. Meanwhile, the Tier 4 MSPs (community microfinance groups), registered by LGAs, increased by 12,293 to 42,257.

Notwithstanding the progress made in licensing and registration, limited awareness on the importance of licencing and registration remains a major challenge. To mitigate this challenge, the Bank, in collaboration with the Delegated Authorities, continues to conduct awareness to MSPs on the requirements of the Microfinance Act, 2018 and its regulations.

Financial Stability

The financial system was relatively stable compared to the preceding year. The assessment of vulnerability and financial soundness in 2022/23 indicated that the financial system was resilient to short-term vulnerabilities. This was partly due to measures taken by the Bank to improve liquidity in the financial system, strengthened prudential supervision and a conducive business environment.

Performance of non-financial corporates (NFCs) and the real estate sector was also better than in the preceding year, due to ongoing recovery of the global economy from the effects of COVID-19 and the Government's measures to improve business environment, including investment in infrastructure. These, in turn, led to good performance of the financial sector as most businesses were able to honor their borrowing obligations.

¹⁵By June 2023, the mandatory social security schemes were Public Service Social Security Fund (PSSSF), National Social Security Fund (NSSF), National Health Insurance Fund (NHIF) and Workers Compensation Fund (WCF). In addition, there were 25 supplementary schemes serving public and private sectors.

¹⁶The delegated authorities are the LGAs and Tanzania Cooperative Development Commission (TCDC).



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Additionally, the findings from the Household Financial Condition Survey (HFCS) of 2022 indicated that risks emanating from households remained subdued as disposable income increased, and credit terms and conditions eased. These developments led to improved ability to borrow, and debt servicing capacity as evidenced by the growth of credit to the private sector.

To enhance supervision of the financial sector and mitigate risks emanating from the financial system and the real economy, the Bank issued macro prudential policy tools for enhancing its surveillance toolkit. These tools include stress testing framework, emergency liquidity assistance framework and contingency and recovery planning guidelines for banks and financial institutions. The Bank will keep on monitoring implementation and ensure compliance for furtherance of resilience of the financial system.

Financial Consumer Protection

The Bank, in fulfilling its role of ensuring stability and integrity of the financial system, established a functional unit responsible for financial consumer's protection in October 2022, focusing on three pillars namely financial literacy, market conduct and complaints resolution. Towards this direction, the Bank approved the Bank of Tanzania (Financial Consumer Protection) Framework in February 2023, to provide for a coordinated and systematic approach for financial consumer protection.

During the year, the Bank, through the Complaints Resolution Desk, handled 926 financial consumers' complaints. Further, in a bid to enhance financial literacy in the country, the Bank engaged with education stakeholders to incorporate compulsory financial education into the formal education curricula at all levels.

Moving ahead, the Bank focuses on strengthening consumer protection by enforcing financial consumer protection regulations, developing market conduct supervision framework, and further engaging with education stakeholders to enhance financial literacy.

Financial Inclusion

Financial inclusion is one of the important public policies for driving economic growth, reducing poverty, and ensuring financial sector stability. Tanzania has been implementing the National Financial Inclusion Frameworks (NFIFs) since 2014. These Frameworks have been instrumental in spearheading growth in financial inclusion, reflected in increased number of financial access points and adoption of digital financial services, and enabling policies and a regulatory environment.

During the year, the Bank in collaboration with other public and private sectors' stakeholders, assessed the implementation of the second NFIF (NFIF2, 2018-2022), which came to an end in December 2022. The assessment results indicated that implementation of NFIF2 was broadly successful, attributed to inclusive financial policies and regulatory frameworks, increased adoption of technology and public awareness of financial matters. Access to formal financial services increased to 89 percent in 2023 from 65 percent in 2017, while usage of formal financial services increased to 76 percent from 66 percent in 2017.

Despite the achievements, limited customer-centric products and services and data and systems interoperability; financial illiteracy, absence of secured transaction laws; high cost of financial products and services; and limited regulatory support to foster financial innovations continue to inhibit the effectiveness of financial inclusion initiatives in the country. To address these constraints, Tanzania has developed the third NFIF (NFIF3), which will operate from 2023 to 2028 as well as its implementation support guide and the communication framework. The NFIF3 targets to enhance the usage of formal financial services and products to 95 percent and 85 percent of adult population, respectively. Box 2 provides additional details on NFIF3.



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BOX 2: THIRD NATIONAL FINANCIAL INCLUSION FRAMEWORK (2023-2028) INITIATIVES

The NFIF3 builds on NFIF2 by enhancing public and private sector collaboration to advance financial inclusion in Tanzania. The Framework contains several initiatives aimed at addressing the outstanding constraints. They include:

- ✓ Increasing the level of access to usage of formal financial services from 89 percent and 76 percent in 2023 to 95 percent and 85 percent in 2028 of the adult population, respectively.
- ✓ Expanding physical and information and communications technology (ICT) infrastructures networks in rural areas.
- ✓ Development of financially inclusive policy, legal and regulatory frameworks. Incorporating financial literacy into the national education system.
- ✓ Enhancing business formalization programs to address challenges of micro and small medium enterprise informalities.
- ✓ Promoting adoption of financial technologies and innovations.
- ✓ Expanding the scope and coverage of credit reference systems.
- ✓ Promoting linkage between community microfinance groups and formal financial services providers.
- ✓ Facilitating development of secured transactions law.
- ✓ Expanding access to pension for the informal sector.



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3.0 Payment Systems

Payment systems in Tanzania play a pivotal role in monetary policy implementation, financial stability, economic efficiency and financial inclusion. In 2022/23, progress was made in various fronts ranging from systems development and upgrading, licencing, and oversight of payment systems.

Payment Systems Development

In promoting efficiency in the use of electronic payment systems, on both national and regional levels, the Bank enhanced the systems in place, in particular Tanzania Instant Payment Systems (TIPS) and Tanzania Interbank Settlement Systems (TISS).

In 2022/23, the Bank on-boarded new financial service providers in TIPS and enhanced its features. Some of the expected benefits of the system include reducing the cost that would have otherwise been incurred in bilateral interoperability arrangements among financial service providers. It will also enhance efficiency in settlement payments in the economy.

As of June 2023, TIPS had integrated 43 financial service providers, consisting of 39 banks and four non-bank entities, with 79.7 million transactions, valued at TZS 5,803.3 billion.

During the year, the Bank continued with registration and verification of data in the Financial Service Registry (FSR). The system, among others, provides information on distribution and location of financial service access points across the country. As of June 2023, registered outlets were 117,294, with 301,890 access services points. To enhance the coverage of TIPS and FSR, the Bank will continue to provide awareness to stakeholders.

Further, the Bank enhanced the performance of TISS by adopting ISO20022 messaging standard. In addition, the Tanzania Quick Response Code standard (TANQR) was developed to among others, enhance payment security to prevent data breaches and payment frauds.

Performance of Payment Systems

In 2022/23, all payments, clearing, and settlement systems operated safely and efficiently, which helped to maintain public confidence in the country's financial system. The number of licensed payment system providers increased to 71 from 62 in the preceding year. As at the end of the review period, the payment systems comprised 37 banks and 34 non-banks.

Large Payments

High value and time-sensitive payments, which are normally transferred through Tanzania Interbank Settlement System (TISS), were efficiently performed during the review period.¹⁷ The system had an uptime performance of above 98 percent. Transactions in the system were highly dominated by Tanzania shilling and United States dollar, representing 99.7 percent of the total transactions. The volume of transactions increased by 12.6 percent to 4,101,509, while the value of transactions rose by 24.7 percent to TZS 233,754 billion (Chart 3.1a). The outturn of local transactions was credited to the increase in tax collection through TISS, and adoption and use of electronic payment systems by the public. The volume of USD transactions increased by 40.8 percent to 481,636 transactions in the preceding year while the value of transactions increased by 15.3 percent to USD 26.2 billion (Chart 3.1b). This expansion is associated with growth of external payments for contractors of mega projects, increased foreign obligations for imports and inflows to public and private sectors, among others.

Participants in TISS constituted 42 banks, four East African central banks and five non-banks.¹⁸ The latter comprise Government institutions and switch operators namely DSE, Tanzania Revenue Authority, UMOJA SWITCH, MasterCard Worldwide and VISA International.

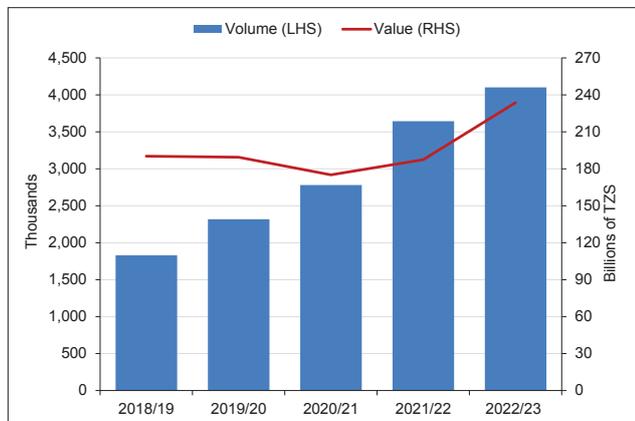
¹⁷ The system supports payment settlements in five currencies, namely, Tanzanian Shilling, US Dollar, Kenyan Shilling, Ugandan Shilling and Rwandan Franc.

¹⁸ The EAC central banks are the Bank of Tanzania, the Central Bank of Kenya, the Bank of Uganda, and the National Bank of Rwanda.



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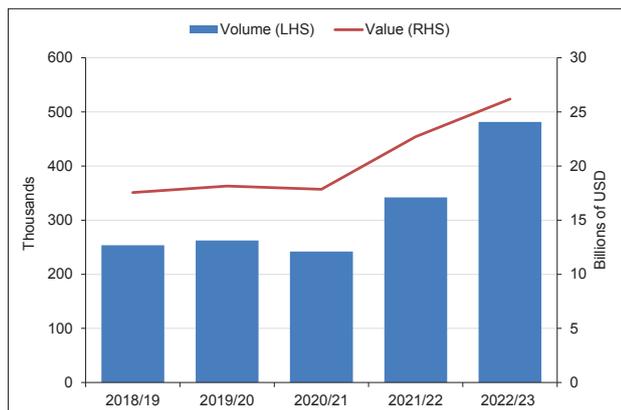
Chart 3.1a: TISS TZS Transactions



Source: Bank of Tanzania

Note: LHS denotes left hand scale; and RHS, right hand scale

Chart 3.1b: TISS USD Transactions



Source: Bank of Tanzania

Note: LHS denotes left hand scale; and RHS, right hand scale

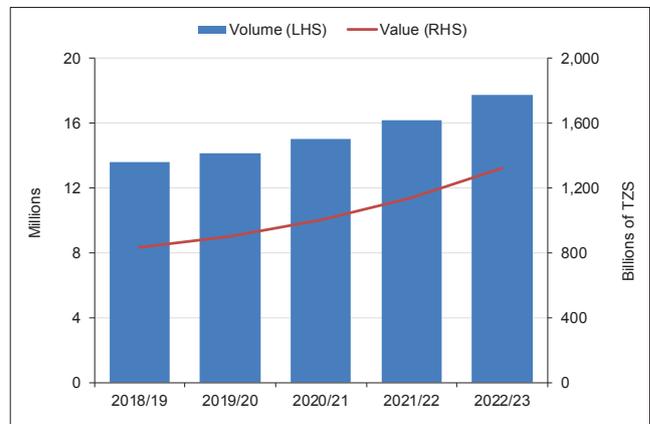
Low Value Payments

Tanzania Automated Clearing House (TACH) system continued to be vital in handling low value transactions including government transactions, bulk payments, and low-value interbank transfers. TACH processes Electronic Fund Transfer (EFT) and cheque transactions.

In 2022/23, TACH participants were 42, a decrease from 43 in 2021/22, following acquisition of First National Bank Tanzania Limited by Exim Bank Limited. The volume of EFT transactions through the system rose by 9.5 percent to 17.7 million, while the value grew by 16.3 percent to TZS 13,234.7 billion as a result of the intensified use of digital financial services (Chart 3.2).

Processing of cheques denominated in Tanzania Shillings (TZS) decreased to 512,039 from 580,542 transactions in the preceding year. Relatedly, the value of cheques processed decreased by 3.5 percent to TZS 1,946.6 billion. Increased adoption of digital payments, especially in merchant and mobile payments, was the reason behind this performance. In contrast, the volume and value of USD denominated cheques processed increased by 5.3 percent and 1.8 percent, respectively, from the amounts registered in 2021/22. The volume increased to 102,227 and value to USD 224 million.

Chart 3.2: EFT Transactions



Source: Bank of Tanzania

Note: LHS denotes left hand scale; and RHS, right hand scale

Regional Cross-Border Payment Systems

The East African Payment System (EAPS) continued to operate smoothly with TZS, UGX and KES sustaining transaction dominance both in volume and value. Whereas, the volume of TZS denominated transaction decreased, those denominated in KES and UGX increased. However, in terms of value, transactions in all the three currencies significantly increased, suggesting growth in cross border trade particular between Tanzania and Kenya (Table 3.1).



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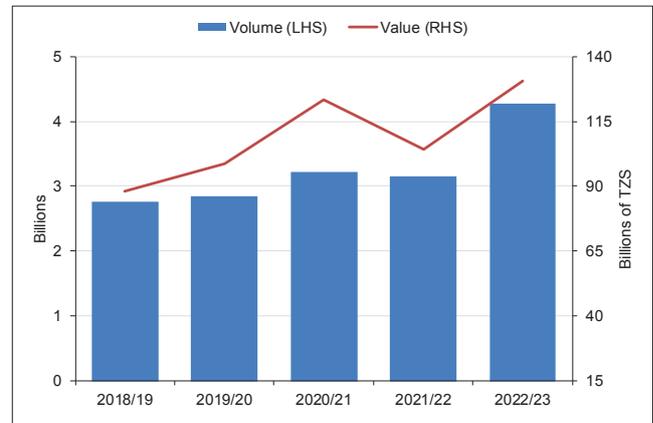
Table 3.1: EAC Cross Border Transactions

		TZS	KES	UGX
2019/20	Volume	2,949.0	2,819.0	408.0
	Value	168,373.6	4,781.6	12,901.1
2020/21	Volume	4,455.0	4,525.0	510.0
	Value	105,299.6	6,986.6	19,981.6
2021/22	Volume	16,355.0	5,346.0	556.0
	Value	168,855.8	3,723.4	49,573.2
2022/23	Volume	7,894.0	8,327.0	1,006.0
	Value	276,560.2	2,817.9	84,869.9

Source: Bank of Tanzania

Note: Values are in TZS Millions, the value and volume of trade using Rwandan Francs, Burundi Francs, South Sudanese Pound, and Congolese Franc were zero

Chart 3.3: Mobile Payments



Source: Bank of Tanzania

Note: LHS denotes left hand scale; and RHS, right hand scale



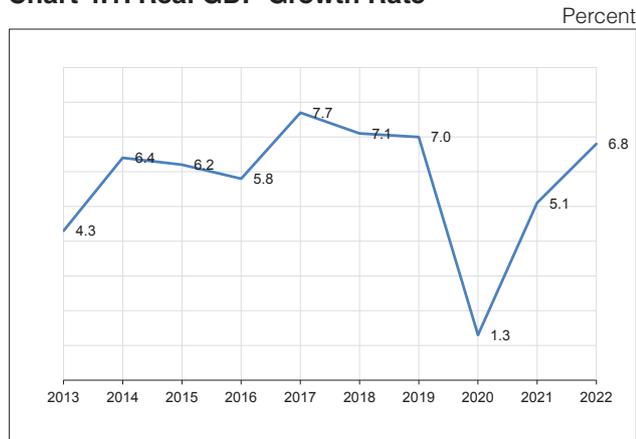
4.0 Zanzibar Economic Performance

4.1 Output and Prices

Output

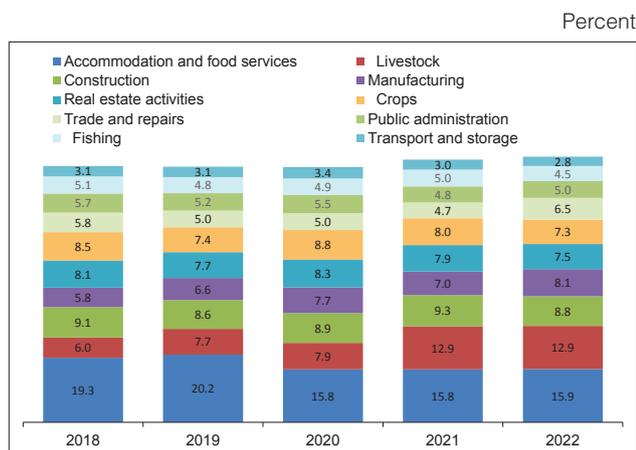
The economic performance of Zanzibar was satisfactory, growing by 6.8 percent in 2022 (Chart 4.1). Activities that contributed to growth were accommodation and food services, livestock, construction, manufacturing, real estate and crops (Chart 4.2a). Activities with the highest growth were electricity and gas, accommodation and food services, construction, education, mining and quarrying (Chart 4.2b). Zanzibar's economy is projected to grow by 7.1 percent in 2023, supported by ongoing public and private investment in infrastructural projects and resurgence of tourism after the re-opening of the global economy post the pandemic.

Chart 4.1: Real GDP Growth Rate



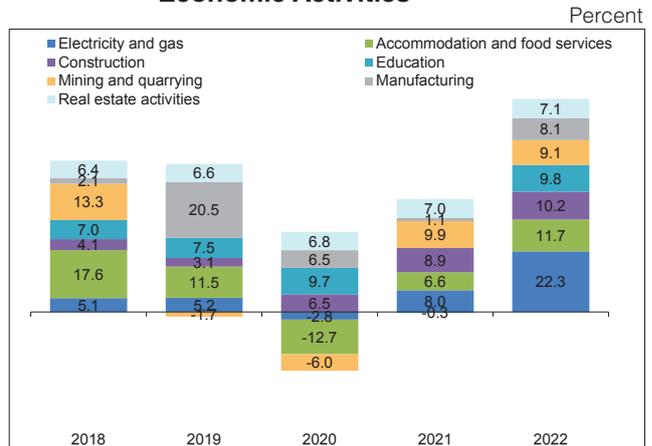
Source: Office of the Chief Government Statistician

Chart 4.2a: Contribution to Real GDP Growth by Selected Economic Activities



Source: Office of the Chief Government Statistician

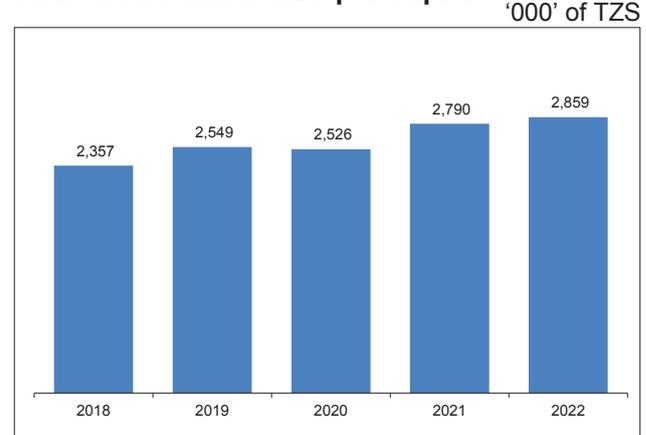
Chart 4.2b: Real GDP Growth by Selected Economic Activities



Source: Office of the Chief Government Statistician

In nominal terms, GDP increased to TZS 5,400.3 billion from TZS 4,780.2 billion in 2021. Similarly, per capita GDP increased to TZS 2.9 million from TZS 2.7 million in 2021 (Chart 4.3).

Chart 4.3: Nominal GDP per Capita



Source: Office of the Chief Government Statistician

Performance of Economic Activities

Services

Services, which continue to be the major economic activity in Zanzibar, grew by 7.7 percent in 2022 compared with 6.9 percent in 2021. This performance was largely attributed to the recovery of the hospitality industry in the aftermath of the COVID-19 pandemic. The recovery of the global economy after the pandemic saw the number of tourist arrivals increasing to 548,503 in 2022 from 394,185 in 2021.

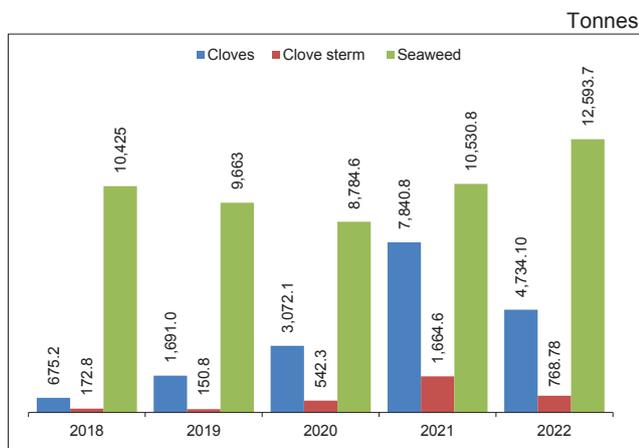


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Agriculture, Forestry and Fishing

Agriculture, forestry and fishing activity grew by 4 percent in 2022 compared with 2.6 percent in 2021, largely due to good weather conditions and improved farming techniques, particularly seaweed. Procurement of seaweed increased to 12,593.7 tonnes in 2022 from 10,530.8 tonnes in 2021 (Chart 4.4). Due to the cyclical nature of cloves, procurement decreased by 39.6 percent to 4,734.1 tonnes in 2022.

Chart 4.4: Procurement of Major Export Crops



Source: Office of the Chief Government Statistician

Industry

Industry activity improved in 2022, growing at 9.3 percent relative to growth of 5.1 percent in 2021. The sub-activities that contributed to growth in industry activity were construction and manufacturing, accounting for 87.4 percent of the growth. Implementation of major infrastructure projects including education and health facilities as well as roads explain the augmented growth of the construction sub-activity. Improved manufacturing activities are noticeable in food processing, beverages and clothing.²¹

4.2 Inflation

Inflation in Zanzibar averaged 7 percent in 2022/23 compared with 3.1 percent in 2021/22 (Table 4.2). Notwithstanding the rise, the rate remained within the EAC and SADC convergence criteria.

The rise in inflation was mainly explained by global food supply disruptions following the geopolitical tensions. Food inflation surged to an average of 10 percent from 1.7 percent in the preceding year. In addition, non-food inflation rose marginally to an average of 4.8 percent from 4 percent in 2021/22 mostly driven by rise in fuel prices.

Table 4.2: Inflation Developments

Inflation components	2018/19	2019/20	2020/21	2021/22	2022/23
Headline	3.3	3.8	1.5	3.1	7.0
Food	2.6	5.3	2.2	1.7	10.0
Non-food	3.9	2.6	1.0	4.0	4.8

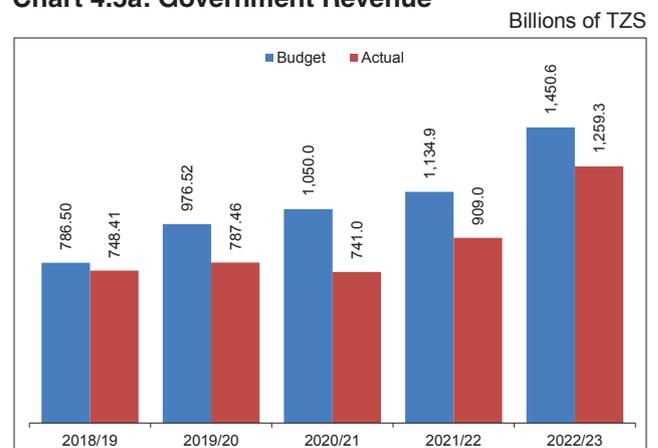
Source: Office of the Chief Government Statistician

4.3 Public Finance

Government Budgetary Operations

Implementation of Zanzibar's Government budget was satisfactory, with resources mainly channelled to strategic areas such as energy, infrastructure, education, investment, health and the blue economy. Government resources, comprising revenue and grants, were TZS 1,259.3 billion, equivalent to 87 percent of the budget for 2022/23 (Chart 4.5a). Out of the resources, TZS 1,209.1 billion was domestic revenue and the balance was grants. Tax revenue was TZS 1,045.6 billion, 95.8 percent of the target and 19.4 percent of GDP. The tax to GDP ratio was higher than 16.2 percent in 2021/22, indicating improved tax administration and compliance. Non-tax revenue was TZS 163.6 billion which was 89.5 percent of the target (Chart 4.5b).

Chart 4.5a: Government Revenue



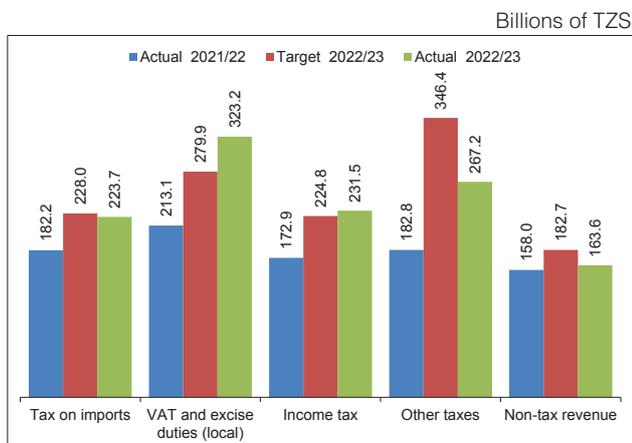
Source: President's Office, Finance and Planning, Zanzibar

²¹ Detailed information on production of selected manufactured products is provided in annex as Table A6.6.



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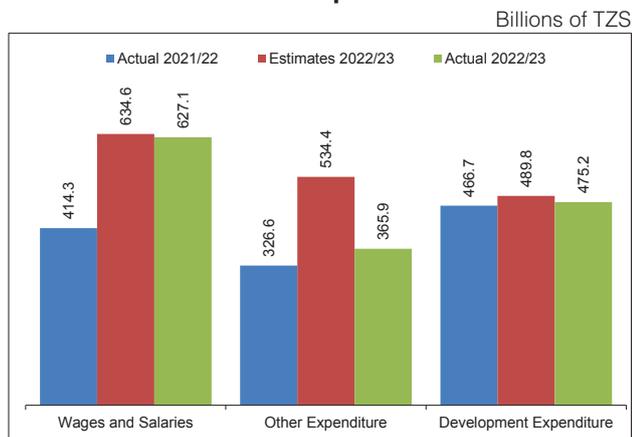
Chart 4.5b: Government Revenue by Source



Source: President's Office, Finance and Planning, Zanzibar

In 2022/23, government expenditure was TZS 1,468.1 billion equivalent to 88.5 percent of the budget, and 27.2 percent of GDP. Low disbursements of external loans for development projects contributed to the underperformance. Of the total expenditure, TZS 993 billion was recurrent and TZS 475.2 billion was spent on development projects, from which 65 percent was financed by domestic resources (Chart 4.6).

Chart 4.6: Government Expenditure

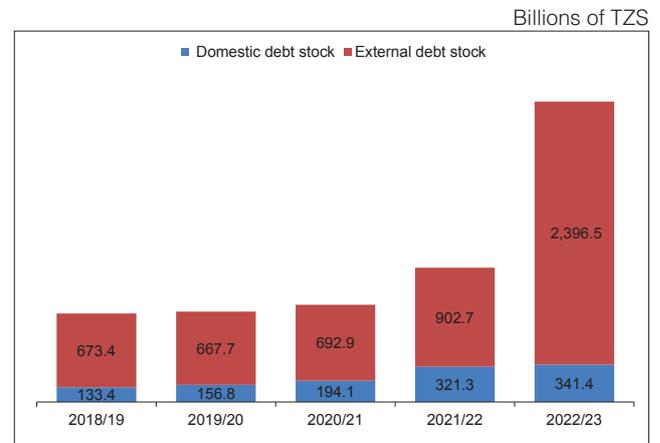


Source: President's Office, Finance and Planning, Zanzibar

Debt Developments

Debt stock in Zanzibar amounted to TZS 2,737.9 billion at the end of June 2023 comprising external debt stock of TZS 2,396.5 billion (USD 1,029.6 million) and domestic debt of TZS 341.4 billion (Chart 4.7).

Chart 4.7: Zanzibar Debt Stock

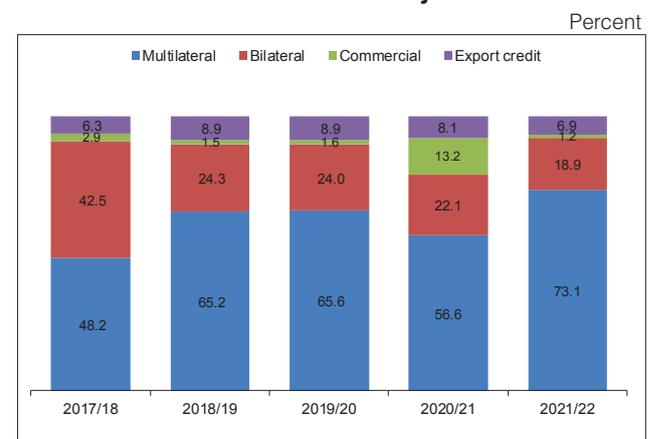


Source: President's Office, Finance and Planning, Zanzibar

External debt stock increased to TZS 2,396.5 billion (USD 1,029.6 million) from TZS 902.7 billion (USD 321.4 million) registered at the end of June 2022. The outturn is attributed by external debt reconciliation and new disbursements. About 99.4 percent of the outstanding external debt was guaranteed by the Government of United Republic of Tanzania.

The stock of domestic debt increased by 6.3 percent to TZS 341.4 billion in 2022/23 from the amount recorded in the preceding year. The additional domestic borrowing was sourced from the People's Bank of Zanzibar. The outstanding stock of Treasury bonds remained unchanged in 2022/23 and accounted for 81.9 percent of total domestic debt (Table 4.3).

Chart 4.9: External Debt Share by Creditors



Source: President's Office, Finance and Planning, Zanzibar



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Table 4.3: Domestic Debt by Borrowing Instrument

Millions of TZS					
Creditor	2018/19	2019/20	2020/21	2021/22	2022/23
Zanzibar Social Security Fund	21,315.2	47,362.7	54,576.5	41,822.9	34,925.7
People's Bank of Zanzibar	3,902.8	1,290.6	0.0	0.0	27,000.0
Government securities	108,148.3	108,148.3	139,522.4	279,522.4	279,522.4
Zanzibar Port Company	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Total	133,366.3	156,801.6	194,098.9	321,345.3	341,448.1

Source: President's Office, Finance and Planning, Zanzibar

4.4 External Sector Performance

The current account balance weakened to a deficit of USD 382.1 million in 2022/23 from a deficit of USD 276 million registered a year earlier, mainly explained by high global commodity prices and ongoing construction activities, which required importation of materials (Table 4.4). These factors resulted in the imports bill outpacing exports earnings.

Table 4.4: Current Account

Millions of USD					
Item	2018/19	2019/20	2020/21	2021/22	2022/23 ^p
Goods account	-219.5	-194.9	-256.0	-299.6	-434.8
Exports	12.2	29.8	25.3	88.5	65.2
Imports (fob)	231.7	224.6	281.4	388.1	500.0
Services account	104.9	30.0	-17.5	10.4	42.0
Receipts	177.8	161.4	66.4	85.2	138.7
Payments	72.9	131.4	83.9	74.8	96.7
Goods and services	-114.6	-164.9	-273.5	-289.2	-392.8
Exports of goods and services	190.0	191.1	91.8	173.8	203.9
Imports of goods and services	304.6	356.0	365.3	462.9	596.7
Primary income account (net)	28.5	15.5	5.1	2.2	9.6
Receipts	45.0	24.8	10.5	5.3	13.2
Payments	16.5	9.3	5.4	3.1	3.6
Secondary income account (net)	34.1	105.9	47.2	11.0	1.1
Inflows	48.1	126.1	55.5	14.4	1.9
Outflows	14.0	20.2	8.4	3.5	0.8
Current account balance	-52.0	-43.5	-221.2	-276.0	-382.1

Source: Tanzania Revenue Authority, Bank of Tanzania, banks, and Bank of Tanzania computations

Note: p denotes provisional data; and fob, free on board

Exports of goods and services increased to USD 203.9 million from USD 173.8 million in 2021/22, largely driven by service receipts, particularly tourism. Recovery of hospitality industry following the lifting of travel restrictions led to improved tourism activities. Earnings from services, which include tourism and transport, increased by 62.7 percent to USD 138.7 million.

Goods exports decreased by 26.3 percent to USD 65.2 million. The decrease was registered in cloves and manufactured goods. The volume of cloves export fell by 37.5 percent due to cyclical nature of the crop (Table 4.5). In addition, export of manufactured goods decreased by 36.7 percent on account of decrease in demand in the global market.

Table 4.5: Goods Exports by Major Categories

Item	Unit	2018/19	2019/20	2020/21	2021/22	2022/23 ^p
Traditional						
Cloves						
Value	'000' of USD	1,224.0	18,633.7	1,032.8	62,767.2	42,520.9
Volume	'000' Tonnes	0.2	3.9	0.2	9.5	5.9
Unit Price	USD/Tonne	6,120.0	4,814.9	6,110.5	6,591.7	7,149.1
Non-traditional						
Seaweeds						
Value	'000' of USD	4,032.9	5,273.7	13,233.3	6,953.0	7,073.6
Volume	'000' Tonnes	9.2	7.8	17.7	15.9	11.5
Unit Price	USD/Tonne	438.4	676.1	747.7	438.2	614.9
Manufactured goods	'000' of USD	4,491.2	3,224.2	7,085.9	11,021.1	6,975.0
Fish and fish products	'000' of USD	777.8	1,097.1	1,790.0	1,578.0	2,114.8
Others exports	'000' of USD	549.4	1,550.1	2,199.0	6,219.1	6,536.2
Sub total	'000' of USD	9,851.3	11,145.1	24,308.2	25,771.2	22,699.7
Grand total	'000' of USD	11,075.3	29,778.8	25,341.1	88,538.4	65,220.6

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: Other exports mainly include souvenirs and spices and p denotes provisional data

Following ongoing construction projects coupled with high global commodity prices, particularly petroleum products and wheat, imports of goods and services increased to USD 596.7 million from USD 462.9 million in 2021/22 (Table 4.4). Growth of goods imports was 28.8 percent while that of services payments was 29.2 percent. Petroleum products accounted for 78.6 percent of annual change in goods imports.



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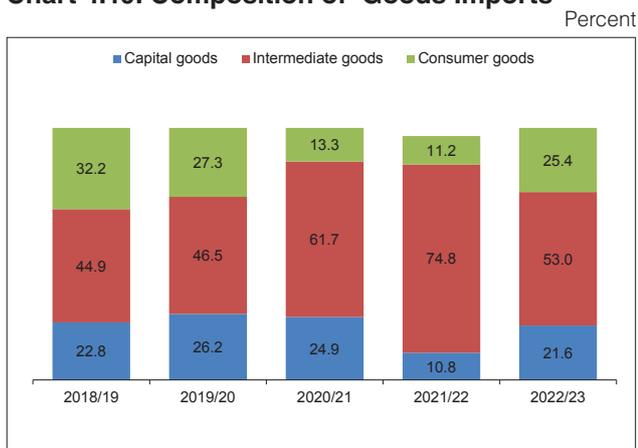
Table 4.6: Goods Imports by Major Categories

Category	Millions of USD				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^p
Capital goods	51.6	58.9	70.2	41.8	107.9
Transport equipment	16.2	17.6	13.5	8.0	23.9
Building and construction	12.4	13.9	23.3	17.7	29.4
Machinery	23.0	27.3	33.4	16.1	54.7
Intermediate goods	101.6	104.4	173.7	290.3	265.0
Oil imports	70.3	42.0	47.0	107.2	195.2
Industrial raw materials	31.4	62.4	126.7	183.1	69.8
Consumer goods	72.9	61.3	37.5	56.1	127.1
Food and food stuffs	33.6	26.3	9.3	13.5	60.1
All other consumer goods	39.3	35.0	28.2	42.6	67.1
Grand total (c.i.f)	248.5	246.8	309.2	426.5	549.5
Grand total (f.o.b)	226.1	224.6	281.4	388.1	500.1

Source: Tanzania Revenue Authority, and Bank of Tanzania computations

Note: ^p denotes provisional data; c.i.f, cost, insurance and freight; and f.o.b, free on board

Chart 4.10: Composition of Goods Imports



Source: Tanzania Revenue Authority and Bank of Tanzania computations



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PART IV

OTHER ACTIVITIES OF THE BANK OF TANZANIA



Bank of Tanzania Annual Report 2022/23

Corporate Strategic Planning and Performance

During the year, the Bank developed and started to implement its five-year rolling Strategic Plan for 2023/24-2027/28. The plan provides a strategic direction, which enables the Bank to effectively discharge its core mandate of ensuring macroeconomic and financial sector stability as well as improving efficiency and effectiveness of Bank's operations.

Credit Guarantee Schemes

In 2022/23 the Bank continued to manage Government-established Credit Guarantee Schemes (CGS) namely Export Credit Guarantee Scheme (ECGS), and Small and Medium Enterprises Credit Guarantee Scheme (SME-CGS). The schemes aim to stimulate and support development of the export sector. The Bank continued to monitor the guaranteed projects whereby under ECGS the outstanding amount was TZS 26.6 billion compared with TZS 32.9 billion in June 2022.²²

Banking and Currency Services

The Bank continued to provide banking and currency services to the Governments, banking institutions and public authorities as well as safe keeping of precious minerals (Gold and Gemstone). These services were timely delivered through the Bank's Head Office, Sub-Head Offices, four branches and 11 Safe Custody Centres (SCCs) across the country.²³ To facilitate and enhance efficiency in banking service delivery and promote better understanding of the Bank's role and functions by the stakeholders, during the year, the Bank conducted meetings and outreach programs to various stakeholders across the country.

Currency and banking services including distribution of currency with denomination mix to financial institutions, and ensuring cleanness of the currencies was satisfactory as substantiated by banking service customer satisfaction survey that was conducted in April 2023. The findings of the surveys indicated that, customers were satisfied at 94.7 percent, which was well above the target of 80 percent. This level of satisfaction emanates from the continued efforts to improve services through processes automation and internal capacity building initiatives.

Over-the-counter change and exchange of mutilated banknotes continued to be provided to the public by banks and financial institutions. This has enhanced service delivery by tapping on the geographical proximity of banking institutions to the public.

Further, the Bank continued to provide custody of minerals owned by the Government and those that are subject to pending court cases.²⁴ Also, the Bank facilitated requests from the Ministry of Finance regarding verification, valuation and the auction of minerals when required.

Research and Publications

The Bank continued to prepare and publish periodic reports on the performance of the economy and financial sector and undertook research studies to generate knowledge and information that enables the Bank to effectively execute its functions. The disseminated periodic reports were Monetary Policy Statements, the Bank of Tanzania Annual Report, Consolidated Zonal Economic Performance Reports, Annual Financial Stability Report, and Financial Sector Supervision Annual Report, among others.

With respect to research activities, four studies were published on the Bank's website. The studies include Assessment of the Economic Effects of Regional Integration Multispectral Approach for Tanzania; Re-Estimating Inflation Threshold Level for Tanzania; Factors Affecting Cement Supply and Prices in Tanzania; and Effectiveness of Monetary Policy Transmission Mechanism through Interest Rate Channel in Tanzania. The Bank also conducted periodic surveys to gather opinions from the public on various economic indicators. These include market perception; tourism; and private capital flows surveys. The Bank will continue to collaborate with academia and other stakeholders to foster research activities within the Bank and the country at large.

²² No credit was outstanding in SME-CGS projects. Expenditure excludes amortization.

²³ Sub-Head Offices are in Zanzibar and Dar es Salaam. Safe custody centers are located in Songea, Sumbawanga, Tanga, Pemba, Shinyanga, Morogoro, Iringa, Musoma, Bukoba, Tabora and Kigoma.

²⁴ The minerals warehousing is done as provided under the Mining Act 2010 as amended in 2017 and 2019.



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Staffing and Human Capital Development

The Bank took several measures in 2022/23 to develop its human capital to attain its strategic goals. This included acquiring competent talents to fill gaps in various capabilities and devising and implementing various strategies to develop and motivate staff. The Bank also streamlined its business processes with the view to enhance efficiency and effectiveness in execution of its functions.

In terms of organization sourcing, 92 new employees were recruited, out of which 31 were female and 61 male. The overall number of staff as at June 2023 was 1,282, of which 830 were male and 452 females.

In addressing knowledge and skills gaps, the Bank, through its Academy, implemented 79 percent of its annual Corporate Training Plan for 2022/23. Noteworthy, the Bank designed and implemented a strategic leadership development programme to support management of leadership succession. The Bank also developed and reviewed different policies, processes, and operational procedure manuals to create a more conducive and productive work environment.

Engagement with Stakeholders

The Bank seeks to serve and meet interests and expectations of its internal (national) and external (regional and international) stakeholders. These engagements are geared towards obtaining feedback, garner concerted efforts in achieving macroeconomic goals and promoting the Bank's reputation, among others.

The Bank conducted several public education programs for various groups. These included Members of the Parliament of URT and the House of Representatives of Zanzibar, public servants, bankers, people with disabilities, journalists and students from colleges, secondary and primary schools. The focus was on issues related to currency handling and currency security features, government securities, safe payment systems, microfinance operations and banking regulations and other Bank operations and undertakings. The other part of engagement with stakeholders was through dissemination of information such as the zonal economic performance reports and other publications, which were shared at regional consultative fora and the public in general.

The Bank also participated in different exhibitions and investment fora organized within the country, including Nanenane and Sabasaba trade fairs, Financial Services Week, and National Minerals Technology Exhibitions, to mention but a few.

With respect to engagement with regional and international stakeholders, the Bank participated in sessions organized by the International Monetary Fund (IMF), EAC, SADC; African Union (AU), Alliance for Financial Inclusion (AFI), Macro-Economic and Financial Management Institute (MEFMI), Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), African Rural and Agricultural Credit Association (AFRACA), and the Association of African Central Banks (AACB) with a view of deepening integration and strengthening joint efforts in maintaining macroeconomic and financial stability.

Corporate Social Responsibility

To cultivate positive ties with the communities, the Bank extended support through scholarships and charitable donations to various societal groups in line with the guidelines in place. During 2022/23, the Bank contributed TZS 404.3 million for this course.

In 2022/23, the Bank granted full scholarships to ten students under the Mwalimu Julius Nyerere Memorial Scholarship Fund (MJNMSF) for undergraduate and master's degree programs.²⁵ The Bank also offered scholarships under the Gilman Rutihinda Trust Fund (GRTF) to two students who excelled in their bachelor's degree programs in economics and finance to pursue master's degrees in similar fields at the University of Dar es Salaam.

Financial Sector Capacity Building

The Bank, through its Academy, designed and implemented long and short courses to bridge knowledge and skills gap in the financial sector.

As for short courses, the Bank introduced and implemented a Certified Currency Management Professionals (CCMP) programme. The objective of the programme is to impart knowledge to participants from central banks, law enforcement agencies, banks and other financial institutions with specialised skills in currency management. Also, the Bank offered regulatory compliance short-term courses to banks and financial institutions within the country.

²⁵ Information about the MJNMSF scholarships is available on the Bank's website.



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On long term courses, the Academy enrolled students in Ordinary Diploma in Banking Practice and Supervision program and introduced a Postgraduate Diploma in Banking Management.

For knowledge sharing purposes, the Academy also engaged in key strategic partnerships with local and international training institutions, in teaching, research and consultancy, resource sharing, and staff exchange. To effectively deliver this function, the Bank will leverage on technology and furthering local and external stakeholders' engagement to facilitate knowledge and resource exchange.



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PART V

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**



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**REPORT OF THE AUDITORS
THE REPORT BY THOSE CHARGED WITH GOVERNANCE
AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



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BANK INFORMATION

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Secretary to the Board

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Bank of Tanzania Academy
Bank of Tanzania
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P.O. Box 131,
Mwanza, Tanzania



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

1. INTRODUCTION

The Board of Directors of the Bank of Tanzania presents this report together with the financial statements for the year ended 30 June 2023. The report provides results of the Bank's operations and its state of affairs. The report was prepared in compliance with Tanzania Financial Reporting Standard 1 (TFRS 1) - Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA).

The report is addressed to internal and external stakeholders who are both primary and secondary users of financial reports. It provides users with a forward-looking analysis of the Bank's operations and financial review, to assist stakeholders in assessing the strategies adopted by the Bank and the potential for those strategies to succeed towards creating value over the short, medium and long-term.

Bank of Tanzania's (the Bank) internal stakeholders include the Board of Directors and employees of the Bank while its external stakeholders comprise of the Government of the United Republic of Tanzania (URT) and the Revolutionary Government of Zanzibar (RGOZ), the Parliament of Tanzania and the Zanzibar House of Representatives, Government Departments and Agencies (MDA's), Parastatals, banks and other financial institutions, the World Bank, and the International Monetary Fund (IMF). Other external stakeholders include development partners, other multilateral and bilateral organizations, other central banks, non-governmental organizations, regional organizations, civic societies, regulatory authorities, service providers, researchers, media, academia, private sector, professional associations, and the general public.

The objective of this report is to provide users with an understanding of the Bank's culture, nature of operations, objectives, strategies, operating model, performance and future developments, resources, corporate governance matters, stakeholders' analysis, risk management, employees' welfare, liquidity management, environmental control programs, corporate social responsibility, responsibility of the auditor and statement of responsibility by Those Charged with Governance.

2. CORPORATE CULTURE

The Bank's culture is articulated in its vision, mission and core values as provided hereunder;

(a) Vision

The Bank's vision is *"To be a Central Bank that effectively fosters macro-economic stability and modernized financial system in sustenance of country's middle-income status and beyond."*

(b) Mission

The Bank's mission is *"To maintain price stability and integrity of the financial system for inclusive economic growth"*.

(c) Core Values

The Bank embraces the following core values, which are upheld by members of the Board of Directors and employees;

(i) Integrity

To exhibit high ethical and moral standards reflected by honesty, sincerity, truthfulness, and confidentiality in executing the Bank's mandate.

(ii) Excellence

To execute duties professionally with creativity and innovativeness to improve organizational performance.



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(iii) Accountability

To be collectively and individually accountable for discharging responsibilities.

(iv) Transparency

To clearly and openly execute the Bank's mandates and proactively communicate relevant information to stakeholders.

(v) Inclusiveness

To value broad participation, teamwork, diversity and harnessing multiple skills and experiences in discharging duties.

3. NATURE OF OPERATIONS

Legislative and Regulatory Environment

The Bank derives its mandates from the Bank of Tanzania Act, 2006 as amended. It is the central bank of the country, entrusted with the duty of maintaining price and financial stability as well as issuance of currency. In addition, the Bank has an overall regulatory and supervisory role on banks and other financial institutions, microfinance service providers and payment system providers in the country. Furthermore, the Bank regulates, monitors, and supervises the payment, clearing and settlement systems for both financial products and services.

Principal Functions

The principal functions of the Bank are to:

- (a) formulate, implement and be responsible for monetary policy, including foreign exchange rate policy;
- (b) issue currency and deal in, hold and manage foreign exchange reserves of Tanzania;
- (c) license, regulate and supervise banks and financial institutions including mortgage financing, development financing, lease financing and microfinance business;
- (d) compile, analyse and publish the monetary, financial, balance of payments statistics and other statistics covering various sectors of the national economy;
- (e) license, regulate, monitor and supervise the payment, clearing and settlement systems, service providers and associated products and services;
- (f) act as a banker, advisor and fiscal agent of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar (the Government)
- (g) provide banking services to commercial banks in Tanzania including managing clearing accounts and balances maintained to comply with statutory minimum reserve (SMR) requirements; and
- (h) act as a lender of last resort to solvent but illiquid banks.

Current Situation and Outlook

The current situation and outlook examine current global and national trends in macro-economic variables for a period of one year and its projection for the ensuing year. The analysis lays the foundation for the Bank's strategic direction in achieving its vision and mission. Through this analysis, the Bank diagnoses needs, establishes priorities, indicates areas for improvement, and takes advantage of identified opportunities



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(a) Global Economic Situation

The Global economic situation remained weak during the period with economic growth projected to fall, high inflation and turbulences in financial sector in some major economies like USA and Switzerland. The IMF World Economic Outlook update of July 2023 reported projected global growth to fall from an estimated 3.5 percent in 2022 to 3 percent in 2023 and 2024, while global headline inflation is estimated to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, respectively. Stress in the banking sector has been managed by Central banks, which reduced the possibility of risks to financial stability coming from the banking sector.

On the other hand, the 2023 African Economic Outlook issued by the African Development Bank Group indicates that the continent's outlook remains positive and stable, with a projected growth of 4 percent in 2023 and further increase to 4.3 percent in 2024. Some African countries are projected to surpass the growth of 5 percent in 2023 with the number of countries expected to increase in 2024. The continent's resilience will be reinforced by expected improvements in global economic conditions, fuelled by reopening of China and measures taken by the central banks of major economies to curb inflation by adjusting interest rates downward.

According to 2023 East Africa Economic Outlook by African Development Bank Group, East Africa will record the highest regional economic performance on the continent in 2023 and 2024, with growth surpassing 5 percent. East Africa's microeconomic fundamentals remained stable with regional inflation declining to 28.9 percent in 2022 from 40.1 percent recorded in 2021, which was the highest in the continent. The higher level of inflation was contributed by hyperinflation in Sudan which stood at 139 percent due to below average harvest, political conflicts and significant currency depreciation of the Sudanese Pound.

(b) National Economic Situation

The country has registered strong macroeconomic fundamentals, despite strong headwinds created by the prolonged war in Ukraine, tightening global financial conditions affecting the value of local currency, and global economic slowdown.

Inflation remained within the country's target of 5.4 percent as well as East African Community (EAC) and Southern African Development Community (SADC) benchmarks. Inflation is projected to remain stable and within the range of 3-5 percent, attributable to several factors, including a favourable base effect as moderation of consumer goods prices continues after peaking in 2022, easing inflationary pressures from trading partners, satisfactory food supply, and implementation of prudent monetary policy.

Exchange rates remained stable, supported by high gold exports and tourism receipts. The shilling depreciated marginally in 2022/2023 against the major world currencies including USD, GBP and EUR; however, the rate is expected to remain stable in the medium term. The stability of the shilling was a result of modest inflation, prudent monetary and fiscal policies, and moderate current account deficit. The foreign exchange reserves remained adequate, covering 4.8 months of projected imports of goods and services, which was above the country's benchmark of at least 4 months of projected imports and the EAC benchmark of at least 4.5 months but lower than that of SADC benchmark of at least 6 months of imports.



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Tanzania's financial sector remained stable, despite the challenges of residual effects of the COVID-19 pandemic and ongoing war in Ukraine that pushed up commodity prices in the world market. The financial sector continued to be led by the banking sub-sector that contributed to about 70 percent of its assets. The banking sub-sector was profitable, with capital and liquidity levels above minimum regulatory requirements and strong asset quality. The banking sector's capital adequacy ratios were 18.3 percent and 19 percent for core capital and total capital which were above the minimum regulatory capital adequacy ratios of 10 percent and 12 percent, respectively. The liquidity ratio was 25.1 percent which was above the minimum regulatory requirement of 20 percent. On the other hand, the ratio of non-performing loans was 5.3 percent slightly higher than the tolerable level of 5 percent; however, the ratio had declined from 7.8 percent that was recorded in June 2022. The performance of the financial sector was the outcome of the measures taken by the Bank to improve liquidity of the sector and strengthen prudential supervision.

4. CORPORATE OBJECTIVES AND STRATEGIES

During the review period, the Bank completed its second year of the five-year Strategic Plan 2021/22 – 2025/26. The Plan has six objectives with strategic initiatives as follows:

(a) Enhance effectiveness of Monetary Policy: This objective aims at improving the process of monetary policy formulation and implementation in a way that will best contribute to macroeconomic stability and support financial markets growth and access.

Strategies executed to achieve the strategic objective were as follows:

- (i) implement interest rate-based monetary policy framework;
- (ii) design and implement effective strategies to promote regional and international integration, climate change and public education on monetary policy and financial markets;
- (iii) conduct research to promote a cash-lite economy, transformation into a blue economy and preparedness for the adoption of digital currencies; and
- (iv) deepen domestic financial markets for effective monetary policy transmission.

(b) Enhance Foreign Reserves: This ensures there is adequate foreign reserves to meet the country's foreign exchange demands and management of monetary and exchange rate policies. It also intends to enhance country's resilience to external shocks.

Strategies executed to achieve the strategic objective were as follows:

- (i) broaden avenues for the accumulation of foreign reserves; and
- (ii) enhance management of risks on foreign reserves.

(c) Enhance Safety, Soundness and Inclusiveness of the Financial Sector: This aims at ensuring availability of macro-prudential framework for resilient financial sector supportive to new product development and risk management. It also refers to having sound infrastructure and resolution frameworks that prevent macroeconomic shocks from disrupting the financial sector. Further, it includes facilitating the public with easy access to affordable financial services.



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Strategies executed to achieve the strategic objective were as follows:

- (i) enhance protection of consumers of financial services;
- (ii) enhance Bank's legislation and regulatory tools;
- (iii) enhance financial crisis preparedness and management capability;
- (iv) develop and implement system for accessing real-time data from banks and financial institutions; and
- (v) implement a retail payment platform and framework for payment and settlement.

(d) Enhance Banking and Currency Services: This entails provision of banking and currency services that are safe, convenient, reliable, timely and affordable.

Strategies executed to achieve the strategic objective were as follows:

- (i) modernize banking services; and
- (ii) enhance currency management operations.

(e) Strengthen Institutional Efficiency: This entails improving organizational performance through effective allocation of resources, optimization of human capital, enhancement of corporate culture, infrastructure as well as leveraging on technology and research.

Strategies executed to achieve the strategic objective were as follows:

- (i) develop and implement effective resource management strategies;
- (ii) redefine corporate culture to align with Bank's strategies;
- (iii) develop a robust research and innovation agenda, and data management;
- (iv) streamline internal business processes;
- (v) adopt new technologies, innovations, cyber-resilient tools and upgrade data centres;
- (vi) modernize the Bank of Tanzania Academy; and
- (vii) upgrade properties and facilities for effective service delivery.

(f) Enhance Organizational Effectiveness: This entails enhancing compliance to national and international legislation, standards, regulations, internal policies, and guidelines. It also aims at putting in place appropriate internal controls and mitigation measures to manage risks and crises. Further, it points to a need for the Bank to proactively ensure there is effective communication with stakeholders.

Strategies executed to achieve the strategic objective were as follows:

- (i) develop and implement corporate wide risk management strategies;
- (ii) strengthen security and safety of the Bank's assets;
- (iii) enhance collaboration with international and regional counterparts; and
- (iv) enhance engagement with stakeholders.

In implementing this Strategic Plan, the Bank cascaded down the objectives and strategies to departmental level where short-termed action plans were developed. Departments formulated objectives and specific tasks to be implemented within one year to support achievement of the Bank's objectives. The Bank monitors and evaluates, on quarterly basis, departmental activities and tasks to ascertain achievement of the corporate objectives.



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5. BANK'S OPERATING MODEL

The ultimate goal of the Bank is to ensure sustainable macroeconomic and financial system stability in the country. To achieve this goal, the Bank formulates and implements medium and short-term strategies. The Bank's continued impressive performance lies in its operating model, that embraces a philosophy of giving utmost priority of strengthening its internal capacity, hiring highly qualified staff, providing learning and development opportunities for its staff, optimizing use of technology, ensuring adequate availability of working tools and developing productive relationships with stakeholders.

The Bank invests in streamlining its internal processes that result in improved effectiveness of monetary policy, increased level of foreign reserves, safe and stable financial system, widened and deepened financial sector, clean money in circulation, improved timeliness and reliability of banking services to the Government and other banks as well as stimulating and rewarding work environment. Effective internal processes have enhanced the ability of the Bank to produce desired outputs that ultimately ensure macroeconomic stability in the country, stability of the financial system and the Bank's organisational capacity.

(a) Inputs

Inputs consist of resources which the Bank uses to accomplish its tasks as provided hereunder;

(i) Social and Relationship

Productive relationships and engagements with the Governments of the United Republic of Tanzania and the Revolutionary Government of Zanzibar, Ministries, Departments and Agencies, other central banks, international financial institutions, banks and other financial institutions, other financial regulatory authorities and other stakeholders enable the Bank to fulfil its mandates of maintaining price stability and ensuring the stability of the financial system as provided under the Bank of Tanzania Act, 2006.

(ii) Human and Intellectual capital

Human inputs include human resources and their skills and knowledge that enable them to perform their duties, while intellectual capital consists of technological innovations and processes that supports the Bank's business. The Bank attracts and retains competent, motivated and skilled staff with relevant skills and knowledge on economic and financial systems. Having experienced and capable leaders with deep understanding of local and international economic and financial fundamentals and systems, the core functions of the Bank are successfully implemented. In addition, the Bank invests in training and development for the staff to enhance their skills and keep pace with evolving economic and financial environment. Further, the Bank leverages technology by developing systems internally to support service delivery, surveillance of financial sector, payments and settlements and research activities.

(iii) Manufactured inputs

They include fixed and intangible assets that enable the Bank to serve its customers effectively and efficiently. These include strategically located head office, 2 sub-head offices, 4 branches, 1 academy and 11 safe custody centres that enable effective discharge of the Bank's mandate. The Bank has invested in developing robust information and communication technology (ICT) infrastructures for continuous improvement of the work processes and service delivery. Further, data centres, Business Work Area Recovery (BWAR) and disaster recovery sites, support business continuity of critical processes.



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(iv) Financial inputs

Financial inputs comprise sources of funding for running the processes (business activities) that enable the Bank to implement its mandate. They include strong capital base, reserves, and income from investments and market operations.

(b) Processes

Processes consist of the Bank's primary functions as defined in the Bank of Tanzania Act, 2006. These functions are translated into activities highlighted in the Bank's Strategic Plan, which include the following;

- (i) formulating and implementing monetary policy,
- (ii) conducting research and compiling economic statistics,
- (iii) regulating and supervising national payment systems and electronic payment instruments,
- (iv) regulating and supervising banks and financial institutions,
- (v) managing foreign exchange reserves of the country, and
- (vi) providing banking and currency services.

(c) Outputs and Outcomes

The Bank's key business activities intend to achieve three major outcomes, which are macroeconomic stability, stability of the financial system and enhanced organisational capacity as stipulated in the Bank's Strategic Plan. The expected outputs from the Bank's processes related to those outcomes are as provided hereunder;

Macroeconomic Stability

- (i) low and stable inflation, which is within a target of 3.0 – 5.0 percent;
- (ii) increased level of foreign reserves- adequate to cover more than 5.5 months of projected imports;
- (iii) deepened financial markets with volatility of interbank cash market (IBCM) interest rate evolving within the range of ± 2.0 percent.

Stability of the Financial System

- (i) Stable and safe financial system

The key processes intend to ensure capital adequacy and liquidity ratios are above the minimum regulatory requirements of 10.0 percent and 20.0 percent respectively, the ratio of non-performing loans to gross loans is reduced to less than 5.0 percent, and financial sector stability index is within the range of ± 3 .

- (ii) Widened and deepened financial sector

The Bank strives to ensure widened and deepened financial sector. This will be evident when access to formal financial inclusion reaches 76.0 percent, access to formal financial services (proximity of within 5km from a financial access point) reaches 89.0 percent and the usage of digital financial services reach 90.0 percent of the customers with access to mobile financial services.

- (iii) Improved timeliness, safety and reliability of banking (including payment) services

Stability of financial system is evident when there is improved timeliness, safety and reliability of banking and payment services. The Bank intends to ensure settlement period for cheque and SWIFT is within two working days (T+1) and EFTs within a working day (T+0).

- (iv) Increased adequacy of clean currency in circulation

By providing banking and currency services, the Bank endeavours to attain customers' satisfaction on banking and currency services of 80.0 percent.



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Enhanced Organizational Capacity

Through strengthening institutional efficiency and enhancing organisational effectiveness, the Bank will achieve organisational capacity. The outcomes will be achieved after attaining:

- (i) organisation performance with strategic management maturity level (SMML) 4;
- (ii) technology and security of ICT infrastructures by upgrading 80.0 percent of obsolete systems;
- (iii) work environment by achieving 95.0 percent employees' satisfaction;
- (iv) risk and crisis management by attaining Risk Maturity Level 5;
- (v) compliance to international and national standards by ensuring 100.0 percent compliance; and
- (vi) stakeholders understanding of Bank undertakings to achieve 95.0 percent of stakeholders' satisfaction.

6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT

6.1 REVIEW OF CURRENT PERFORMANCE

The Bank continued to implement its 2021/22 – 2025/26 Strategic Plan which contains six strategic objectives geared towards achieving the Bank's mandate of maintaining price stability and promoting the financial system's stability. During the implementation of the second year (2022/23), the overall evaluation revealed considerable achievements as detailed in its three thematic areas based on the strategic objectives, intended results, Key Performance Indicators (KPI's), the set targets and budget utilization.

Theme 1: Macroeconomic Stability

The macroeconomic stability thematic area contains two strategic objectives namely: Enhance the Effectiveness of Monetary Policy and Enhance Foreign Reserves.

Strategic Objective 1.1: Enhance the Effectiveness of Monetary Policy

This objective is aimed at improving the process of monetary policy formulation and implementation in a way that will best contribute to macroeconomic stability and support financial markets growth and access.

Two intended results were; low and stable inflation and deepened financial markets.

Four KPIs were designed to track the achievement of results; core inflation with a target of 3.8 percent, headline inflation of 5 percent, money supply growth of 10.3 percent and volatility of IBCM within the target range of ± 2.0 percent by June 2023.

(a) Core inflation rate

This is a measure of price movements caused by factors other than unprocessed food and energy prices over a specified period. The measure intends to indicate the effectiveness of monetary policy by assessing variability of prices.

During the year under review, core inflation averaged 2.6 percent below the corporate target of not more than 3.8 percent compared to 3.8 percent in the corresponding period of 2021/22. The decline in core inflation corresponds to the less accommodative monetary policy stance implemented by the Bank during the year, which aimed at minimizing the effects of global shocks on the domestic economy and containing inflation within the target while safeguarding growth and financial stability.



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(b) **Headline inflation rate**

This is a measure of price movements of all items in the consumer basket in a specified period. The purpose of the measure is to determine the extent of variability in general price level to assess whether the economy is operating in stable conditions.

During the year under review, headline inflation trended upward to 4.6 percent in 2022/23 compared with 4 percent in 2021/22 but remained below the annual target of 5.4 percent and was consistent with the EAC and SADC convergence criteria. The increase was on account of high global commodity prices and demand for food, particularly cereals, from neighbouring countries. However, inflation eased in the second half of the year owing to an anticipated decline in global commodity prices and improving food supply in the country as well as neighbouring countries.

(c) **Money supply growth**

This is the rate of change of the extended broad money supply that includes currency in circulation outside the banking system plus demand deposits (cheque account) of residents with banks in the country, deposits of residents with banks and foreign currency deposits.

During the year under review, the Bank implemented a less accommodative monetary policy in a bid to tame inflation, while safeguarding growth and financial sector stability. Consequently, extended broad money supply (M3) grew by 13.7 percent in the year ending June 2023, above the target of 10.3 percent. The higher than projected growth of money supply was primarily driven by a faster expansion of private sector credit due to the increase in demand for new loans associated with ongoing Government initiatives to improve business environment.

(d) **Volatility of the IBCM rate**

This KPI measures variation of the weighted average overnight inter-bank cash market interest rate at which banks lend to each other. The measure is intended to monitor the adequacy of liquidity in the economy in line with demands of various economic activities and stability of money market interest rates consistent with stability of prices.

During the year under review, the IBCM rate exhibited a volatility of 0.95 percent, remaining within the allowable deviation range of +/- 2.0 percent. This rate stability, gauged by its standard deviation, signals an effective liquidity management within the financial system. The Bank's efforts to absorb excess liquidity have successfully prevented the IBCM rate from slipping beneath its target. Moving forward, projections indicate that the IBCM rate is expected to maintain this level of stability throughout the upcoming financial year.

Budget estimated to implement this objective was TZS 13,674.5 million and the actual expenditure was TZS 90,768.3 million as at 30 June, 2023. The variation on actual expenditure from the budget is attributed to the cost of liquidity papers due to the increased efforts by the Bank to absorb excess liquidity in line with the monetary policy stance.



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Strategic Objective 1.2: Enhance Foreign Reserves.

This objective entails ensuring adequate foreign reserves to meet the country's foreign exchange demands and management of monetary and exchange rate policies. It also intended to enhance country's resilience to external shocks. Its intended result was increased level of foreign reserves. The KPI for this result was months of import cover with a target of greater or equal to 5.5 months by June 2023.

Months of Import Cover

This measure reflects the number of months for which available official foreign exchange reserves can cover importation of goods and services, and is intended to gauge the extent to which the level of foreign exchange reserves can cover and sustain imports.

As at 30 June 2023, the month of import cover was 4.8 months compared to 4.6 months in the previous year. When compared to the corresponding period last year, the level of reserve has increased from USD 5,110.3 billion to USD 5,446.1 billion due to increased cash inflows from multilateral institutions and non-concessional borrowing to finance ongoing Government projects as well as employing various strategies to enhance foreign reserves, such as conducting FX Swaps with commercial banks (local and international) and maximizing return on investable reserves in a rising interest rate environment, given the periodic drawdowns to meet obligations. The performance however is below the set target of 5.5 months of import cover but above the statutory benchmark of not less than 4.0 months of import cover.

Budget estimated to implement this objective was TZS 4,749.3 million and actual expenditure as at 30 June, 2023 was TZS 3,951.9 million.

Theme 2: Stability of Financial Sector

The stability of financial sector thematic area contains two strategic objectives namely: enhance safety, soundness and inclusiveness of the financial sector and enhance banking and currency services.

Strategic Objective 2.1: Enhance Safety, Soundness and Inclusiveness of the Financial Sector.

This aimed at ensuring availability of macro-prudential framework for resilient financial sector supportive to new product development and risk management. It also referred to having sound infrastructure and resolution frameworks that prevent macroeconomic shocks from disrupting the financial sector. Further, it included facilitating the public with easy access to affordable financial services.

Two intended results were; increased safety, reliability, and integrity of the financial sector and widened and deepened financial and payment systems.

Five KPI's were designed to track the achievement of these results; capital adequacy ratio with a target of 14.5 percent, asset quality with a target of less or equal to 5.0 percent, liquidity ratio with a target of greater or equal to 20.0 percent, financial sector stability index with a target of ± 3 , access and usage of formal financial services with a target of 80.0 and 78.5 percent respectively by June 2023.



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(a) Capital Adequacy

As at the end of June 2023, the ratio of Core Capital to Total Risk-Weighted Assets and Off-balance Sheet Exposures was 18.3 percent compared to 20.2 percent attained in 2021/22. The decline of capital adequacy ratios during the period was a result of increase in the level of risk weighted assets, implying increased lending to private sector.

(b) Asset Quality

As at the end of June 2023, the banking sector's NPL ratio was 5.3 percent as compared to 7.8 percent in June 2022, which is also below the baseline level of 9.7 percent, but remained marginally above the desired benchmark of 5.0 percent.

The improvement in asset quality was mainly attributed to improved credit risk management practices, proportionately high growth in loans and advances relative to non-performing loans, recovery and write-off of Non-Performing Loans.

As at the end of June 2023, the ratio of liquid assets to demand liabilities was 25.1 percent, which was above the minimum regulatory requirement of 20.0 percent. However, the ratio declined from 28.1 percent attained in June 2022 reflecting shifting preference of banks to invest in loans and advances rather than investment in liquid assets.

(d) Financial Sector Stability Index (FSSI)

The FSSI is a composite index related to financial system development indicators, vulnerability indicators, financial soundness indicators and other indicators which characterize national, regional and global economic climate. The Bank uses FSSI as an early warning indicator in assessing the resilience of the financial sector to internal and external shocks. Following the assessment of vulnerability and financial soundness, the financial system was resilient to short-term vulnerabilities. The index remains within the acceptable limit at 0.1 for the period ended 30 June 2023 compared to -0.1 in 30 June 2022.

(e) Access and Usage of formal Financial Services

This measures the number of adult population defined as individuals above the age of 16 years who have access and use formal financial services. The desired result on the access indicator is to have 87 percent of adults' population living within 5km to financial access points (branches, agents, ATMs, POS) by 2022/23. During the period under review, 89 percent of adults lived within 5kms of an access point. Out of which in urban areas is 100 percent while in rural areas is 83 percent. This performance signifies that majority of Tanzanians can easily access formal financial services.

The desired result on usage indicator is to have 67 percent of adults' population using formal financial services by 2022/23. During the period under review, 76 percent of adults were using formal financial services compared to 65 percent in 2017. The increased usage was mainly contributed by increased usage of banking services from 17 to 22 percent, and mobile financial services from 60 to 72 percent.



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Increased access and usage were mainly contributed by the following initiatives: implementation of National Financial Inclusion Framework (2018-2022) through enhanced stakeholder's engagements e.g. NIDA for provision of national identification which facilitated client on boarding thus expanding access; FIU on adoption of Risk based KYC and FSPs Associations on implementation of digital delivery channels; enhancing financial consumer complaints handling process by increasing efficiency in processing complaints which increased confidence and trust to consumers in using formal financial system; streamlining consumer protection role by developing the Bank of Tanzania Financial Consumer Protection Framework; performing market conduct supervision; and conducting public awareness programs on financial inclusion and consumer protection.

Budget estimated to implement this Objective was TZS 13,293.4 million and the actual expenditure as at the end of financial year 2022/23 was TZS 11,702.9 million. The variance was due to changes of prioritisation of implementation activities in order to address gaps identified during implementation.

Strategic Objective 2.2: Enhance Banking and Currency Services

This entailed provision of banking and currency services that are safe, convenient, available, timely and affordable. The intended results were; improved timeliness, safety and reliability of banking services and increased adequacy of clean currency in circulation.

Two KPI's were designed to track achievements; Settlement period (Cheque, SWIFT and EFT) with a targets of T+1 for cheque and SWIFT and for EFT with a target of T+0. Customers' satisfaction level on banking and currency services with a target of 80.0 percent by June 2023.

(a) Settlement period

This is time taken for a payment instrument (cheque or EFT) to be cleared, counted from the time it is received to when a beneficiary account is credited. This measure shows that all incoming and outgoing payment instructions in favour of Bank's customers are settled on time. Its purpose is to ensure that Bank's customers get their values on time.

During the period under review, the Bank's and customer's obligations were settled as per set target throughout the period. The performance target set for this measure was a maximum of T+1 for inward cheques and settlement of foreign obligations; and T+0 for over the counter cheques, special clearance, SWIFT and EFTs. The achievement recorded was contributed by observance of operational and procedures manuals.

(b) Customers Satisfaction Level on Banking and Currency Services

This measures perception of customers on banking services rendered by the Bank with a target of 80 percent by June 2023. The Bank administered a survey to determine customer satisfaction on banking services in April 2023. The findings of the surveys indicated that, customers were satisfied by 94.7 percent with the banking services above the target of 80.0 percent. The satisfaction level, by category of customers, showed that internal customers were satisfied by 95.5 percent while non-BOT customers were satisfied by 94.0 percent. The performance reflects continued efforts of the Bank to improve services delivery by investing in automation and use of technology which has substantially reduced cost and delays in services delivery.



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Budget estimated to implement this objective was TZS 113,779.5 million and actual expenditure as at 30 June 2023 was TZS 95,869.8 million. The variation was on account of re-issuance of clean counted banknotes during the period which reduced banknotes printing expenses.

Theme 3: Organizational Capacity

The organizational capacity thematic area contains two strategic objectives namely: strengthen institutional efficiency and enhance organizational effectiveness.

Strategic Objective 3.1: Strengthen Institutional Efficiency

This entailed improving organization performance through effective allocation of resources, developing human resource, improving employees' culture and infrastructure, while leveraging on technology and research to improve institutional efficiency.

Intended results were; improved management of Bank's resources, improved organizational performance, improved technology and security of IT infrastructure and improved work environment. The Bank tracks results under this theme by focusing on five KPIs: expenditure coverage ratio, Strategic Management Maturity Level (SMML), IT maturity level, system availability, and employees' satisfaction with work environment.

(a) Expenditure Coverage Ratio

This is the level to which total expenditure is covered by the revenue generated in the same period. The intention of this measure is to gauge the extent to which the Bank's expenditures are financed by income generated within the same period. It assists in allocation and utilization of resources. The targeted ratio for this measure is 1 connoting that 100.0 percent financing of Bank's obligations from revenue generated.

During the period under review, the average Expenditure Coverage Ratio stood at 1.5 compared to a ratio of 1.1 for the period ending June 2022. The good performance was mainly attributed to effective investment of foreign reserves, generating interest on lending, charging fees and commissions on services and effective monitoring and controlling of budgeted expenditures.

(b) Strategic Management Maturity Level (SMML)

SMML measures progress that the Bank is making in strategic management and performance measurements efforts. Assessment is on the scale of 0 to 5, (0 being the lowest). SMML assessment is conducted periodically but at least once in year, to inform management of where the Bank stands in terms of strategic management. It also allows management to monitor progress in improving maturity of strategic management and to allow benchmarking the Bank against other high performing organisations.

According to a survey that was conducted in January, 2023, the Bank's overall average maturity level increased from 2.8 recorded in December, 2021 to 3.0, consistent with the target of 3 set to be achieved by end of June 2023. That level of achievement points to the fact that the Bank has a structured and comprehensive strategic plan with formal formulation processes and procedures; employees across functional units are regularly engaged in strategic management activities; top management and management are regularly informed about the pursuit of strategies; vision, goals, and values are communicated effectively. On the other side, the survey revealed that the Bank's culture is not adequately consistent with the strategy.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(c) IT Maturity Level

The desired level of IT processes maturity recommended in good practices of IT governance in accordance with COBIT 19 Framework. The purpose is to determine the level of IT governance in the Bank. During the period under review, the Bank's maturity was level 3 consistent with set target for this financial year and previous financial year, which implies that the Bank has been able to apply recommended practices, controls, relevant policies and guidelines, and procedures in IT operations.

(d) System Availability

This KPI measures availability of critical systems to deploy appropriate measures whenever required. The purpose of the measure is to determine availability of critical systems to deploy appropriate measures whenever required.

In the review period, the Bank maintained the level of system availability (Database) at an average of 99.3 percent and Applications availability at an average of 99.7 percent against the set target of 95.0 percent, compared to previous year where the level of system availability was maintained at an average of 99.5 percent against the set target of 97.5 percent. This was mainly attributed to enhanced resilience and monitoring of the IT Infrastructure, replacement of substantial number of obsolete technologies, deployment of new servers and data storages.

(e) Employee Satisfaction with Work Environment

This KPI measures the extent to which staff are satisfied with policies, systems, facilities, services, development opportunities, welfare issues and the overall working environment in the Bank. The aim is to understand employees' satisfaction on the work environment in the Bank and take appropriate actions.

Employee satisfaction level is assessed through annual Work Environment Surveys (WES) and is conducted once every two years. The latest WES conducted in 2021/22 indicated that employee satisfaction level was 83.0 percent, below the set target of 90.0 percent. Generally, employees were satisfied with many aspects of the work environment. Management continues to take initiatives to address areas of concern.

Budget estimated to implement this objective was TZS 70,125.1 million and the actual expenditure as at 30 June 2023 was TZS 58,503.5 million. Budget variance was mainly on account of delay in completion of major constructions to accommodate quality assurance and delayed procurement processes to ensure fairness and high level of compliance to tendering procedures.

Strategic Objective 3.2: Enhance Organizational Effectiveness

This entailed enhancing compliance to national and international legislations, standards, regulations, internal policies, and guidelines. It also aimed at putting in place appropriate internal controls and mitigation measures to manage risks and crisis. Further, it points to a need for the Bank to proactively ensure there is effective communication with stakeholders coupled with sense of accountability, transparency and quality disclosures.

The intended results were; improved risk and crisis management, improved compliance to international and national standards and improved stakeholders' understanding of Bank's undertakings. Three KPI's were designed to track results; risk maturity level with the target of level three, percentage Compliance to PPRA with a target of 100.0 percent and percentage of customer's satisfaction of 95.0 percent by June 2023.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Risk Maturity Level

This assesses the Bank's risk management culture and development of a risk management program. It evaluates the extent to which risk management is embedded within the Bank's operations where a high maturity level translates into effective risk management. The Bank uses Deloitte Risk Maturity Model and according to criteria defined in the model, the Bank has remained at level 3 (top down) which is slightly below the expected target of level 4 (Systematic) set for 2022/23. The Bank's ongoing effort to build risk culture among the employees is expected to raise the Risk Maturity Level.

(b) Compliance to Public Procurement Law and Regulations

This measure intends to assess Bank's compliance to procurement law and regulations. The target by the end of 2022/23 was 100.0 percent. Audit on compliance with Procurement Laws and regulations is conducted by PPRA on annual basis. During the latest assessment conducted in the financial year 2021/2022 assessment, the Bank scored 64.6 (fair performance) on compliance audit for procurement conducted in Tanzania National e-Procurement System (TANePS).

(c) Stakeholders' Satisfaction

This measures stakeholders' satisfaction on their interaction with the Bank. The Bank conducts stakeholder satisfaction survey once every two years. The latest survey was conducted in June 2022 and it indicated stakeholder satisfaction level of 87.3 percent (against target of 95.0 percent). The Net Customer Index (NCI) showed that the Bank stakeholders were mostly satisfied in the areas of service loyalty accessibility, quality displayed by staff while engaging with customers, stakeholders level of understanding of the Bank roles and undertakings, trust on the Bank undertakings, information sharing and effectiveness of channels of information used by the Bank.

Budget estimated to implement this objective was TZS 176,129.0 million and actual expenditure as at 30 June 2023 was TZS 162,888.2 million. Variation noted on actual expenditure was mainly on account of delay in utilisation of employees' recruitment budget due to changes in prioritisation of activities during the period.

6.2 FUTURE DEVELOPMENTS

In its five-Year Strategic Plan 2021/22 – 2025/26, the Bank aligns its vision and strategic objectives with the national priorities outlined in the National Development Vision 2025, the Zanzibar Development Vision 2050, Zanzibar Development Plan 2021-2026, National Five-Year Development Plan III (2021/22 – 2025/26), and National Financial Sector Development Masterplan 2020/21–29/30. The Bank recognizes the main agenda of the Governments to sustain the country in the middle-income status and above. This national agenda can be attained through having macro-economic and financial stability; and widened and deepened access to financial services for enhanced investments in the productive sectors leveraging on technological advancement. In executing its mandate and attaining expected results, the Bank intends to accomplish the following in the financial year 2023/24:



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Enhance effectiveness of monetary policy

The Bank will continue to improve the process of monetary policy formulation and implementation in a way that will best contribute to macroeconomic stability and support financial markets growth and access. Through this objective, the Bank will implement interest rate based monetary policy framework; design and implement effective strategies to promote regional and international integration, public education in monetary policy and financial markets, and mitigate climate change effects as well as other unprecedented events; conduct research to promote a cash-lite economy, transformation into a blue economy and preparedness to adoption of digital currencies and; deepening domestic financial markets for effective monetary policy transmission.

Six Key Performance Indicators (KPI's) and targets have been set to realize success of this objectives; core inflation with a target of 3.8 percent, headline inflation of 5.0 percent, reserve money growth with a target of 11.6 percent, money supply growth of 10.2 percent and volatility of IBCM to be within the target range of ± 2.0 percent by June 2024.

(b) Enhance foreign reserves

The Bank will continue to ensure there are adequate foreign reserves to meet the country's foreign exchange demands and management of monetary and exchange rate policies. It also intends to enhance the country's resilience to external shocks. The Bank intends to achieve this objective by broadening avenues for accumulation of foreign reserve and enhancing the management of risk on foreign reserves. To monitor performance of this achievement, the Bank uses months of import cover with a target of at least 5.5 months by June 2024.

(c) Enhance safety, soundness and inclusiveness of the financial sector

The Bank will ensure the availability of a macro-prudential framework for a resilient financial sector supportive of new product development and risk management. The objective is to ensure robust legal, regulatory and supervisory frameworks that embrace regional and international standards for effective financial sector supervision, and responsive to market dynamics. It also refers to having sound infrastructure and resolution frameworks that prevent macroeconomic shocks from disrupting the financial sector. Furthermore, it includes facilitating the public with easy access to affordable financial services.

In achieving this objective the Bank will, enhance applicable legislation and regulatory tools; enhance financial crisis preparedness and management capability; develop and implement a system for accessing real-time data from banks and financial institutions; implement retail payment platforms and framework for payments and settlements; implement National Financial Inclusion Framework 2023 to 2028; enhance financial consumer protection; enhance access to credit to SMEs through Credit Guarantee Schemes; and support financial sector development.

The Bank will continue to measure the results using; capital adequacy ratio with a target of 14.5 percent, asset quality with NPL target of less than 5.0 percent, liquidity ratio with a target of greater than 20.0 percent. Financial sector stability index with a target of ± 3 , access and usage of formal financial services with targets of 87.0 percent and 67.0 percent respectively by June 2024.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(d) Enhance banking and currency services

The Bank will continue to provide banking and currency services that are safe, convenient, available, timely and affordable. To achieve this objective, the Bank will modernize banking services and enhance currency management operations. In order to track achievements, the Bank maintained two KPIs, which are; settlement period with a target of T+1 for cheque and SWIFT and T+0 for EFT. The Bank will also track achievements of this objective by measuring customer's satisfaction level on banking and currency services with a target of 85.0 percent by June 2024.

(e) Strengthen institutional efficiency

The Bank will improve organization performance through effective allocation of resources, optimization of human capital, enhancement of corporate culture, acquisition of new properties (plots) as well as leveraging on technology and research. Through this objective, the Bank will develop and implement effective resource management strategies; redefine corporate culture to align with Bank's strategy; develop a robust research and innovation agenda and enhance data management; streamline internal business processes; adopt new technologies, innovations, cyber-resilient tools and upgrade data centres; modernize the Bank of Tanzania Academy; and develop and modernize facilities, infrastructure and acquisition of new properties (plots) for effective service delivery.

In tracking the results, the Bank has identified seven KPIs, which are; expenditure coverage ratio with a target of 1, Strategic Management Maturity Level (SMML) with a target of level three; IT maturity level with a target of level 3, system availability of 96.0 percent, and employee's satisfaction with work environment with a target of 95.0 percent, percentage implementation of corporate training plan with target of 88 percent and percentage achievement of strategic result with a target of 80.0 percent by June 2024.

(f) Enhance organizational effectiveness

The Bank will enhance compliance with national and international legislation, standards, internal policies, and guidelines. This objective aims at instituting appropriate internal controls and mitigation measures to manage risks and crises. In addition, it points to a need for the Bank to proactively ensure there is effective communication with stakeholders. To achieve this objective, the Bank will develop and implement corporate-wide risk management strategies; strengthen the security and safety of the Bank's assets; enhance collaboration with international and regional counterparts; enhance engagement with stakeholders; and enforce organizational compliance to internal, national and international legislation and standards.

Four KPIs have been designed to track results; risk maturity level with a target of level four, net risk levels with a target of moderate risk category, compliance to Public Procurement Regulatory Authority criteria with a target of 100.0 percent and percentage of stakeholder's satisfaction of 95.0 percent by June 2024.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

7. RESOURCES

The Bank has adequate resources, including human capacity, to implement its mandates as set out in the Bank of Tanzania Act, 2006 as amended. In order to achieve its strategic goals, the Bank uses its human, financial, intellectual, social and relationship and natural resources efficiently and effectively.

(a) Financial Resources

The Bank has adequate financial resources to support its strategic and operational initiatives. The financial resources comprise capital TZS 100.0 billion and reserves TZS 1,238.6 billion. The Bank generated revenue that covered all operating expenses and support provided to its stakeholders. This has enabled the Bank to continue fulfilling its mandates without seeking shareholder's support. The profitable operations have helped the Bank accumulate adequate reserves while paying reasonable dividends to its shareholder. From a strategic perspective, the Bank seeks to improve its financial performance by improving resource management, prioritizing initiatives, implementing initiatives within available financial resources, and generating adequate revenue to support its operations.

(b) Human Resources

The Bank has a workforce of 1282 individuals who possess qualifications, motivation, competence, and a dedication to long-term careers. Among these employees, 830 are male, and 452 are female. The leadership upholds robust governance principles and fosters positive working dynamics, creating a conducive atmosphere for fulfilling the Bank's responsibilities. The Bank remains steadfast in its dedication allocating resources for nurturing talent and fostering engagement programs. This commitment ensures that employees consistently sustain their ability to provide value to stakeholders.

(c) Intellectual Resources

The expertise of the Bank's staff stands as a highly important strategic asset, prominently contributing to the modernization of its functions. This is evident in the creation of in-house contemporary technology aimed at enhancing daily operations. Notably, the Bank's personnel have pioneered TIPS, an interoperable digital payment platform. This innovative system facilitates seamless payment transfers among diverse Digital Financial Service Providers (DFSPs), encompassing both banks and other financial entities like e-money issuers.

(d) Social and Relationship Resources

The Bank places great importance on cultivating robust relationships with its stakeholders, driven by a commitment to comprehend their expectations and deliver value that guarantees satisfaction. We extend support through public education, scholarships, and charitable donations to worthy causes, to cultivate positive ties with the communities where the Bank conducts its operations. Over the past year, the Bank allocated TZS 2,815.1 million for subscriptions and contributions to various organizations, in addition it contributed a total of TZS 404.3 million to diverse community groups. Our dedication to engaging with stakeholders remains unwavering, and we will persist in our efforts to provide public education to enhance their understanding on the Bank's undertakings and hence contribute to their welfare.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(e) Natural Resources

This forms the foundation for various other types of capital that collectively constitute the organizational capacity for productivity. While the Bank does not rely on natural resources directly for its output, its activities remain attuned to the ecosystem's balance to ensure the continuity of life and economic endeavours. Acknowledging the diminishing state of ecosystems, like the atmosphere's capacity to absorb carbon dioxide without destabilizing, which poses threats to both stability and the economy, the Bank assesses its operations' environmental impact. As a result, it actively advocates for environmental sustainability. The Bank employs energy-efficient systems, imposes restrictions on motor vehicle mileage and age, and has implemented a nearly paperless office approach. These efforts signify the Bank's commitment to utilizing contemporary, eco-friendly practices that conserve water, land, and energy while mitigating air pollution.

8. COOPORATE GOVERNANCE MATTERS

(a) Corporate Governance Statement

A good corporate governance requires legal, regulatory and institutional basis that is appropriate and efficient. Clear governance rules as well as the necessity of accountability in its actions allow management to be carried out focusing the priorities defined by the organization, and decision-makers to have their actions assured by a formally established institutional structure, among other benefits.

Governance is associated with setting rules for the decision-making process. It defines who makes decisions, who is responsible for them, and how decisions must be made. In essence, it defines roles and responsibilities. Management has to do with the execution of rules set by governance, and the operational routine of the organization. Good corporate governance is critical in the public sector entities, and the Bank in particular, is committed to adhering to the highest standards of corporate governance. This commitment is rooted in the reputation built on a solid foundation of integrity, excellence, accountability, transparency, fairness and inclusiveness.

In view thereof, during the year under review, the Bank complied with aspects of good corporate governance principles which include:

(i) Accountability: The Bank has been accountable at all times to the stakeholders including the Government by maintaining price stability and integrity of the financial system for inclusive economic growth. In accordance with section 21, subsection (3) to (6) of the Bank of Tanzania Act, Cap. 197, the Governor submitted the Monetary Policy Statement to the Minister of Finance and Planning for 2022/23 which subsequently was submitted to the Parliament.

(ii) Transparency: The Bank of Tanzania exercises a high degree of transparency on its decisions. The decisions of the Monetary Policy Committee (MPC) are communicated to banks through post-MPC engagements with Chief Executive Officers of banks, and to the public through various communication channels. In addition, the Bank regularly publishes various reports, which highlight monetary policy stance, the outcome of monetary policy implementation, and developments of the economy at large. The reports are available on the Bank of Tanzania's website. The Bank regularly organizes and conducts awareness and sensitization programs to enable the public to understand its roles and operations.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(iii) Fairness: The Bank has been fair to banks and financial institutions, payment systems service providers and microfinance service providers while discharging its functions of supervising and regulating as per section 5 of the Bank of Tanzania Act, Cap 197. The Bank improved legal and regulatory frameworks which eased licensing requirements, promoted innovations in the financial sector and developed proportional prudential requirements while maintaining an appropriate balance between financial inclusion objectives and other policies, such as financial stability and consumer protection as provided for under the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019.

(iv) Responsibility: The primary function of the Bank is to control the money supply in the economy. Therefore, the Bank has been responsible for issuing currency on behalf of the government. In addition to this primary function, the Bank performed the following responsibilities in the year 2022/23: receipt of the state revenues, kept deposits of various departments and made payments on behalf of the government; it kept the cash reserves of the commercial banks; acted as a clearinghouse for the inter-bank transactions and as a lender of last resort. It supervised the commercial banking system and ensured its smooth running; it controlled the money and capital markets by changing the supply of money and thereby the rate of interest; it acted as the custodian of the foreign exchange, and it advised the Governments in all the monetary affairs.

(v) Independence: The Bank has been exercising independence in formulating and implementing the monetary policy, managing currency and banking operations, supervising the financial sector as well as managing its resources. This has led to a greater transparency of decision-making, accountability and the capability of the Bank to pursue its mandate.

(b) Membership and Committees of Those Charged with Governance

As per section 9 of the Bank of Tanzania Act, Cap 197 the Governor and Deputy Governors of the Bank of Tanzania are appointed by the President of the United Republic of Tanzania. The Permanent Secretary to the Treasury of the Government of United Republic and the Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar, are ex-officio members of the Board, however they may appoint in writing persons in the public service to be their representatives who shall, at any meeting for which they are appointed, have the powers of the Permanent Secretary or Principal Secretary, in their capacities as members of the Board. The four non-executive Directors are appointed by the Minister for Finance of the United Republic of Tanzania and at least one should hail from either side of the United Republic. The following Directors served on the Board during the financial year 2022/23.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Table 1: Members of the Board of Directors

No.	Name	Position	Age	Gender	Discipline	Date of Appointment	Nationality
1.	Prof. Florens. D.A.M. Luoga ¹	Governor and Chairperson of the Board	64	Male	Lawyer	8 January 2018	Tanzanian
2.	Mr. Emmanuel M. Tutuba ²	Governor and Chairperson of the Board	50	Male	Economist	8 January 2023	Tanzanian
2.	Mr. Julian B. Raphael ³	Deputy Governor	67	Male	Economist	26 January 2016	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Deputy Governor	51	Male	Economist	31 May 2017	Tanzanian
5.	Ms. Sauda K. Msemo	Deputy Governor	50	Female	Economist	1 June 2022	Tanzanian
6	Dr. Juma M. Akil	Member	59	Male	Agricultural Economist	23 January 2021	Tanzanian
7	Prof. Nehemiah E. Osoro ⁴	Member	76	Male	Economist	1 June 2017	Tanzanian
8	Mr. Joseph O. Haule ⁵	Member	67	Male	Economist	1 June 2017	Tanzanian
9.	Ms. Esther L.J. Manyesha	Member	64	Female	Lawyer	14 February 2022	Tanzanian
10	Mr. Lawrence N. Mafuru	Member	51	Male	Banker	9 August 2022	Tanzanian

Key:

¹ Appointment ceased on 7 January 2023

² Appointed on 8 January 2023

³ Reappointed on 1 January 2023

⁴ Appointment ceased on 2 June 2023

⁵ Appointment ceased on 2 June 2023

In accordance with Section 9(2) (c) of the Bank of Tanzania Act, 2006, a representative of the Ministry of Finance and Planning of the United Republic and Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar are ex-officio members.

Bank of Tanzania ascribes to the highest standards of corporate governance. The Bank through the Board of Directors and Management upholds and practices sound corporate governance principles.

To this end, the Bank of Tanzania Act, 2006, CAP 197, has provided a framework for ensuring the application of sound corporate governance principles and best practices by the Bank's Board of Directors and its Committees and Management in the course of managing the day-day affairs/operations of the Bank as summarized below:

- (i) In terms of the provisions of Section 9(1) of the Bank of Tanzania Act, 2006, the Board of Directors of the Bank is the supreme policy-making body, and the approving authority of the corporate plan and budget of the Bank;
- (ii) Four committees are currently assisting the Bank's Board of Directors in discharging its functions. These are the Monetary Policy Committee, Audit Committee, Banking Supervision Committee and Finance and Investment Committee.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(i) Monetary Policy Committee

The Monetary Policy Committee was established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Its membership comprises of the Governor as Chairperson, the Deputy Governors, and six Non-Executive Directors. The Monetary Policy Committee assists the Board in the review of monetary policy targets; review of research papers, and major economic and monetary policy changes before adoption by the Board. The Committee's mandate also covers a review of the Governments' revenue and expenditure patterns; a review of debt management operations and statutory reports of the Bank related to the implementation of monetary and financial policies.

The Members of the Monetary Policy Committee that served during the year ended 30 June, 2023 were as follows:

Table 2: Monetary Policy Committee

No	Name	Position	Discipline	Nationality
1.	Prof. Florens. D.A.M. Luoga ¹	Chairperson	Lawyer	Tanzanian
2.	Mr. Emmanuel M. Tutuba ²	Chairperson	Economist	Tanzanian
3.	Mr. Julian B. Raphael ³	Member	Economist	Tanzanian
4.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
5.	Ms. Sauda K. Msemu	Member	Economist	Tanzanian
6.	Prof. Nehemiah E. Osoro ⁴	Member	Economist	Tanzanian
7.	Mr. Joseph O. Haule ⁵	Member	Economist	Tanzanian
8.	Ms. Esther L.J. Manyesha	Member	Lawyer	Tanzanian
9.	Dr. Juma M. Akil	Member	Agricultural Economist	Tanzanian
10.	Mr. Lawrence N. Mafuru	Member	Banker	Tanzanian

Key:

¹ Appointment ceased on 7 January 2023

² Appointed on 8 January 2023

³ Reappointed on 1 January 2023

⁴ Appointment ceased on 2 June 2023

⁵ Appointment ceased on 2 June 2023

(ii) Audit Committee

Established under the provision of Section 12(1) of the Bank of Tanzania Act 2006, the Audit Committee is composed of Non-Executive Directors. The Chairperson of the Committee is a Non-Executive Director. The Terms of Reference for the Audit Committee covers, internal controls, financial reporting, internal audit and external audit.

The Audit Committee's mandate under internal control covers evaluation of the control environment and culture; the adequacy of the internal control systems and compliance with International Financial Reporting Standards (IFRS) in the preparation of financial statements; the overall effectiveness of the internal control and risk management frameworks. The Committee also reviews management requests for write-off/ write back of items from the books of accounts and reviews the effectiveness of the system for monitoring compliance with laws and regulations.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

The mandate relating to financial reporting requires the Audit Committee to review significant accounting and reporting issues and their impact on the financial reports and ensure that financial risk areas are managed appropriately. The Committee also ensures adequacy of the financial reporting process and reviews draft financial statements before submission to the external auditors for audit and the audited financial statements before approval and adoption by the Board. With regards to External Audit, the Audit Committee is informed by the independent external auditor (National Audit Office of Tanzania) about the scope, approach and audit.

The Committee's mandate on Internal Audit covers a review of the activities and resources of the internal audit function; effectiveness, standing and independence of internal audit function within the Bank; a review of the internal audit plan; and follow up on implementation of internal and external audit findings and recommendations. The Audit Committee reports to the Board of Directors.

The Members of the Audit Committee that served during the year ended 30 June 2023 were as follows:

Table 3: Audit Committee

No	Name	Position	Discipline	Nationality
1.	Prof. Nehemiah E. Osoro ¹	Chairperson/ member	Economist	Tanzanian
2.	Mr. Joseph O. Haule ²	Member	Economist	Tanzanian
3.	Ms. Esther L.J. Manyesha	Member	Lawyer	Tanzanian

Key:

¹ Appointment ceased on 2 June 2023

² Appointment ceased on 2 June 2023

(iii) Banking Supervision Committee

The Banking Supervision Committee was also established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Members of the Committee comprise the Non-Executive Director who is the Chairperson, the Deputy Governors, Representative of the Ministry of Finance and Planning, Government of the United Republic of Tanzania and Principal Secretary to the Treasury, Revolutionary Government of Zanzibar and two Non-Executive Directors.

The Banking Supervision Committee is responsible for the review of internal control and systems in banks and other financial institutions; the banking supervision function; adequacy of the prevailing legal and regulatory framework; operating performance of banks, financial institutions, microfinance service providers and bureau de change to ensuring safety and soundness in the banking system; financial stability reports before publication; and on emerging supervisory issues. The Committee advises the Board on appropriate policy, legislative and regulatory measures that promote a safe banking system and high supervisory standards and practices.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Table 4: Banking Supervision Committee

No	Name	Position	Discipline	Nationality
1.	Mrs. Esther J. Manyesha	Chairperson	Lawyer	Tanzanian
2.	Mr. Julian B. Raphael ¹	Member	Economist	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
4.	Ms. Sauda K. Msemo	Member	Economist	Tanzanian
5.	Dr. Juma M. Akil	Member	Agricultural Economist	Tanzanian
6.	Prof. Nehemiah E. Osoro ²	Member	Economist	Tanzanian
7.	Mr. Joseph O. Haule ³	Member	Economist	Tanzanian
8.	Mr. Lawrence N. Mafuru	Member	Banker	Tanzanian

Key:

¹ Reappointed on 1 January 2023

² Appointment ceased on 2 June 2023

³ Appointment ceased on 2 June 2023

(iv) Finance and Investment Committee

The Finance and Investment Committee was established under the provision of Section 12 (1) of the Bank of Tanzania Act, 2006. Members of the Committee comprise Non-Executive Director, who is the Chairperson, the Deputy Governors and four Non-Executive Members of the Board.

The Finance and Investment Committee is responsible for reviewing the proposed budgets and reallocation of funds involving capital expenditure and supplementary budget requests; quarterly budget performance reports; Financial Regulations and Staff By-Laws; requests for disposal of immovable assets; and Bank's Annual Corporate Plan. The Committee also reviews the appropriateness of the Bank's investment policy and assets allocation strategy, Risk Management Framework for the Bank's operations and Project Management framework.

The Members of the Finance and Investment Committee that served during the year ended 30 June 2023 are as follows:

Table 5: Finance and Investment Committee

No	Name	Position	Discipline	Nationality
1.	Mr. Joseph O. Haule ¹	Chairperson	Economist	Tanzanian
2.	Mr. Julian B. Raphael ²	Member	Economist	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
4.	Ms. Sauda K. Msemo	Member	Economist	Tanzanian
5.	Ms. Esther L.J. Manyesha	Member	Lawyer	Tanzanian
6.	Mr. Lawrence N. Mafuru	Member	Banker	Tanzanian

Key:

¹ Appointment ceased on 2 June 2023

² Reappointed on 1 January 2023



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(c) Meetings of Those Charged with Governance

The Board held five ordinary and seven extra ordinary meetings during the year ended 30 June 2023. In addition, there were various meetings of the Board Committees. All members of the Board were able to substantially devote their time required for the Board and Committee meetings. Below is a summary indicating the number of meetings attended by each member of the Board from 1 July 2022 to 30 June 2023.

Table 6: Meetings of Those Charged with Governance

No	Number of meetings Names	Number of meetings					KEY
		Board	MPC	BSC	AC	FIC	
		12	6	6	7	7	Board: Board of Directors
1.	Prof. Florens D.A.M. Luoga ¹	7	2	N/A	N/A	N/A	MPC: Monetary Policy Committee
2.	Mr. Emmanuel M. Tutuba ²	4	3	N/A	N/A	N/A	BSC: Banking Supervision Committee
3.	Mr. Julian B. Raphael ³	12	3	5	3	7	AC: Audit Committee
4.	Dr. Yamungu M. Kayandabila	12	4	2	N/A	5	FIC: Finance and Investment Committee
5.	Ms. Esther L.J. Manyesha	12	4	6	5	7	N/A: Not applicable
6.	Prof. Nehemiah E. Osoro ⁴	10	2	4	7	5	
7.	Ms. Sauda K. Msemu	9	4	6	N/A	7	
8.	Mr. Joseph O. Haule ⁵	10	4	5	7	6	
9.	Dr. Juma I. Akil	8	N/A	N/A	N/A	N/A	
10.	Mr. Lawrence N. Mafuru	5	N/A	N/A	N/A	N/A	

Key:

¹ Appointment ceased on 7 January 2023

² Appointed on 8 January 2023

³ Reappointed on 1 January 2023

⁴ Appointment ceased on 2 June 2023

⁵ Appointment ceased on 2 June 2023

The Board and its committees meet after every two months with additional meetings convened as and when necessary. During the year, the Board and its committees met to discuss and decide on various business activities. The Board's Committees recommend key business decisions to the Board for approval.

(d) Independence of the Non-Executive Directors

The Board considers all Non-Executive Directors to be independent in character and judgment, and free of relationships or circumstances that could affect their judgment.

(e) Management

Section 13(1) of the Bank of Tanzania Act, 2006 vests the Management of the Bank and the direction of its business and affairs to the Governor. The Governor is required to discharge such functions and directions, in conformity with the policies and other decisions made by the Board.

The law further provides that the Governor be assisted by three Deputy Governors. The Deputy Governors head various functions under them, which are managed by twenty directors, seven managers of independent departments and the principal of Bank of Tanzania Academy.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(f) Secretary to the Board

The Director of Legal Services is the secretary to the Board and is responsible for advising the Board on legal and corporate governance matters and, in liaising with the Chairperson, for ensuring good information flows between the Board, its Committees and Management. All members of the Board and Management have access to his legal advice and services.

9. RELATIONSHIP WITH STAKEHOLDERS

The Bank's Five Years Strategic Plan 2021/22 - 2025/26 provides a detailed analysis of the Bank's key stakeholders. The Bank recognises the importance of addressing the needs of its key stakeholders in order to add value and satisfy their needs and expectations. The Bank's key stakeholders include the Government, banks and other financial institutions, staff, the parliament and the public. The Bank is committed to delivering value to its stakeholders through better services and good customer care while maintaining effective relationship in its engagement. The Bank's key stakeholders, services provided to them and expectations are as follows:

(a) The Governments

URT and RGoZ, as the main stakeholders, expect timely and reliable economic and financial services, banking services and dividend from the Bank. During the year under review, the Bank provided the two governments with its advice on monetary and financial matters through the Monetary Policy Statements, which review recent global and domestic macroeconomic developments and the outcome of monetary policy implementation during 2022/23. The Bank also provided timely, safe and reliable banking services, including payments. The Bank also reduced the settlement time of instruments, cheques and SWIFT to T+1 and EFTs to T+0 in order to improve stakeholders' satisfaction with banking services. The Bank endeavours to meet Governments' expectations and serve their interests through open and reliable communication.

(b) Banks and Other Financial Institutions

The Bank provides these stakeholders with banking and currency related services, supervisory and regulatory services and the payment and settlement systems infrastructures. These services have to be provided in a timely and reliable manner. During the period under review, the Bank provided banking services and currency that met their expectations. Further, the Bank continue to play its supervisory role to enhance the safety, soundness, and inclusiveness of the financial sector through risk-based supervision and through systems. In addition, the Bank kept pace with the speed of innovation and technological changes in payment systems by putting in place and improving payment systems including, Tanzania Instant Payment System and Core Banking System (CBS) that are supportive of economic growth.

(c) The General Public

This is another key stakeholder whose needs from the Bank include clean cash in circulation and reliable economic and financial information. The Bank issues currency to the public through commercial banks. To ensure the supply of cash in the economy, the Bank distributes currency through its branches and its safe custody centres. The Bank has continued to employ multiple channels of communication to effectively engage with its stakeholders to ensure they are well informed on the Bank's undertakings and acquire feedback on its operations.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

10. CAPITAL STRUCTURE AND TREASURY POLICIES

(a) Capital Structure

The capital structure of the Bank as at 30 June 2023 consisted of authorized share capital of TZS 100.00 billion (2022: TZS 100.00 billion) and Reserves of TZS 1,239.81 billion (2022: TZS 1,331.87 billion). Section 17 of the Bank of Tanzania Act 2006 provides for the level of authorized capital to be TZS 100.0 billion, subject to potential increase as decided by the Board and approved by the Minister of Finance through a notice in the gazette. The Bank's share capital is subscribed to and held by the Government of the United Republic of Tanzania. Due to the nature of the Bank's business and statutory requirements, the whole capital is held as equity.

The Bank establishes and maintains different classes of reserves as stipulated by section 18 of the Bank of Tanzania Act, 2006. As at 30 June 2023, the Bank's main reserves included the General Reserve, Foreign Exchange Revaluation Reserve, Foreign Exchange Equalization Reserves, Capital Reserve, Reserve for Projects and Security Revaluation Reserve. Details of the movement of these reserves during the year are provided in the Statement of Changes in Equity.

(b) Treasury Policies and Objectives

The Bank engages in treasury transactions mainly in managing foreign exchange reserves, implementing monetary policy, and managing liquidity in the banking sector. The Bank has put in place Foreign Exchange Reserves Management Policy to govern the foreign reserves management function. The Policy defines the approach and framework governing the reserves management and outlines the governance structure, roles and responsibilities pertaining to reserve management.

Each year the Bank reviews Strategic Asset Allocation (SAA) process to determine an optimal mix of its foreign assets that meets its long-term investment objectives. The process incorporates approved risk tolerance, Bank's strategic objectives and global macroeconomic and financial market conditions.

Further, the Bank has Foreign Exchange Reserves Investment Guidelines that provides guidance on reserve management operations and serves as the basis for monitoring performance and compliance of its investments to the benchmarks and limits approved by the Board. Adherence to the Investment Guidelines is critical for the full attainment of the Bank's foreign exchange reserves management objectives of preservation of value, liquidity, and returns generation.

In addition, the Bank uses Monetary Policy Statements to provide guidance on managing market liquidity. The statement serves as the basis for injecting or mopping up liquidity in the financial system through buying or selling monetary policy instruments to the market. The instruments used for liquidity management include repurchase agreements, treasury bills, and foreign exchange transactions.

Lastly, the Bank has put in place guidelines to provide loans and advances to commercial banks as mandated by the Bank of Tanzania Act 2006. The guidelines provide guidance on issuing special loans and standing facilities (Intraday and Lombard) to commercial banks.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

11. FINANCIAL PERFORMANCE AND POSITION

(a) Significant Aspects of the Statement of Financial Performance

(i) Operating Income

During the year ended 30 June 2023 operating income was TZS 616.1 billion (2022: TZS 484.3 billion), which is an increase of TZS 131.8 billion from previous year and equivalent to 27.2 percent. The increase was mainly attributed to increase in domestic investments and interest rates on foreign investments.

(ii) Operating Expenses

During the year under review operating expenses was TZS 555.6 billion (2022: TZS 543.9 billion), which is an increase of TZS 11.7 billion from previous year and equivalent to 2.2 percent. The increase was mainly due to foreign exchange revaluation losses.

(iii) Other Comprehensive Loss

The Bank recorded other comprehensive loss of TZS 56.8 billion (2022: TZS 230.1 billion), which is a decrease of TZS 173.3 billion from previous year and equivalent to 75.3 percent. The decrease in loss was mainly due to improvement in market conditions of Bank's foreign investments.

(b) Significant Aspects of Statement of Financial Position

(i) Cash and balances with central banks and other banks

Cash and balances with central banks and other banks as at 30 June, 2023 was TZS 5,824.7 billion (2022: TZS 4,471.1 billion), which is an increase of TZS 1,353.6 billion, equivalent to 30.3 percent. The increase was attributed to an increase in foreign currency notes, demand and time deposits.

(ii) Foreign currency marketable securities

The Bank's foreign currency marketable securities as at 30 June, 2023 was TZS 7,011.9 billion (2022: TZS 7,606.9 billion), which is a decrease of TZS 595.0 billion, equivalent to 8.0 percent. The decrease was because of foreign exchange revaluation losses.

(iii) Advances to the Government

Advances to the Government as of 30 June, 2023 was TZS 4,384.4 billion (2022: TZS 2,022.0 billion), which is an increase of TZS 2,362.4 billion, equivalent to 116.8 percent. This was attributed to changes to the Government borrowing limit from the Bank as introduced in the Finance Act, 2022.

(iv) Currency in Circulation

The currency in circulation as at 30 June, 2023 was TZS 7,192.0 billion (2022: TZS 6,618.9 billion), which is an increase by TZS 573.2 billion, equivalent to 8.7 percent. The increase was attributed to increase in currency issued to the public.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(v) Deposits - Banks and Non-Bank Financial Institutions

The deposits - banks and non-bank financial institutions as at 30 June, 2023 was TZS 4,341.0 billion (2022: TZS 3,651.7 billion), which is an increase of TZS 689.4 billion, equivalent to 18.9 percent. The increase was attributed to deposits made to the Bank by commercial banks to fund their current/settlements accounts.

(vi) Deposits – Others

The deposits – others as at 30 June 2023 was TZS 2,869.5 billion (2022: TZS 2,701.2 billion), which is an increase by TZS 159.9 billion, equivalent to 6.2 percent. The increase was attributed to funds suspended for the settlement of government obligations and deposits for letters of credit.

(vii) Capital

The capital position of the Bank as at 30 June 2023 was TZS 1,339.8 billion (2022: TZS 1,431.9 billion), a decrease by TZS 92.1 billion equivalent to 6.4 percent. The decrease was on account of unrealized losses on securities revaluation reserve.

(c) Results and Dividends

During the year ended 30 June 2023, the Bank operations registered an overall total comprehensive income of TZS 3.6 billion (2022: loss of TZS 289.7 billion). The profit was mainly resulted from increase in interest income on the Bank's investments. The net profit for the year was TZS 60.4 billion (2022: net loss of TZS 59.6 billion).

The Bank of Tanzania Act, 2006 requires transfer of net unrealized gains or losses to a separate reserve account until realized and available for distribution. In line with section 17 of the Act, special purpose reserves have been set to cater for specific needs and the balance is distributed as dividend to the Government. As a result, a dividend amounting to TZS 100.0 billion (2022: TZS 100.0 billion) is payable to the Government.

12. CASH FLOWS

The statement of cash flows for the Bank is presented using indirect method whereby it is classified and presented into cash flows from operating, investing and financing activities. The cash flow analyses changes in cash and cash equivalent during the year ended 30 June 2023. Cash and cash equivalent for the Bank include, fixed deposits, account balances with foreign banks and holding of foreign currency in Bank's strong room. In overall terms, cash and cash equivalent increased from TZS 4,471.1 billion to TZS 5,824.7 billion.

The changes in cash flow have been summarized below:

(a) Operating Activities

Operating activities for the year ended 30 June 2023 resulted in net outflow of TZS 580.7 billion (2022: TZS 39.1 billion). Increase in cash outflow from operating activities during the year was mainly on account of advances to the Government.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Investing Activities

Investing activities during the year resulted in net cash inflows of TZS 845.9 billion (2022: outflows of TZS 3,255.7 billion). Increase in cash inflows was on account of decrease in marketable securities as part of investment strategy and maturity of Government bond.

(c) Financing Activities

Financing activities during the year resulted in net cash inflows of TZS 1,106.1 billion (2022: TZS 1,847.4 billion). Net cash in cash inflows was a result of increase in foreign currency financial liabilities, BOT liquidity papers and Repurchase Agreements. These items provided additional funding for operating and investing activities.

13. RISK MANAGEMENT AND INTERNAL CONTROLS

Effective risk management and controls are an integral element in the Bank's strategic objectives in meeting its policy responsibilities. The Board accepts final responsibility for risk management and internal control systems in the Bank. Accordingly, risk management and internal control frameworks are embedded in all processes of the Bank in order to provide reasonable assurance regarding:

- (a) the effectiveness and efficiency of operations;
- (b) the safeguarding of the Bank's assets;
- (c) compliance with applicable laws and regulations;
- (d) the reliability of accounting records;
- (e) business sustainability under normal as well as adverse conditions; and
- (f) responsible behaviours towards all stakeholders.

The risk management process is guided by the Corporate Risk Management Framework (CRM) and Guidelines that nurture an integrated approach to the management of all risks inherent in the operations so that the Bank can in turn attain its strategic objectives.

The CRM framework provides guidance on identifying and managing multiple and cross-enterprise risks; determining appropriate risk response decisions; aligning risk appetite with corporate strategy; allocating resources effectively; minimizing unexpected events which might result in financial losses and reputational damage, and seizing opportunities in a timely manner.

The risks that the Bank is exposed to emanate from fulfilling its responsibilities, such as formulation and implementing monetary and exchange rate policies, managing foreign exchange reserves, and rendering banking services to the banking sector and the Government of the United Republic of Tanzania.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

KEY RISKS AND UNCERTAINTIES

The risks that may affect the implementation of the Bank's strategies are categorized as financial, operational, and strategic risks. Below is a description of the operational and strategic risks facing the Bank. The risks related to financial instruments have been disclosed under Note 42 of the financial statements:

(a) Operational risk:

This is a risk resulting from inadequate or failed internal processes, people, and systems or from external events. In order to effectively manage operational risk, the Bank has put in place mechanism that assist in operational risk assessment, evaluation, treatment, monitoring, and reporting across all organisational levels. The main operational risks of the Bank are:

(i) Human Resource Risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas. This risk relates to the possibility of having inadequate and unspecialized resources. Materialization of the risk is likely to cause business disruption and inefficiencies, ultimately exerting an adverse impact on the achievement of the Bank's objectives.

The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes workshops, seminars, conferences, and job attachments to its staff to improve their competencies. It regularly revises its staff retention scheme to compete with the prevailing labour market. The Bank has Staff By-Laws, Financial Regulations, and Code of Ethics that guide staff behaviour and foster staff integrity.

(ii) Business Disruption and Security Risks

Risks related to failure to execute business processes and events that compromise the assets, operations, and objectives of the Bank. The risks might be due to lack of business continuity management, lack of good practices, or controls on the Bank's activities. This risk may result in the loss of the Bank's properties injuries and loss of life as well as jeopardizing the Bank's reputation.

The Bank addresses these risks inter alia by ensuring the existence of a Business Continuity Management (BCM) plan and sound internal control system, which include operational and procedural manuals, Information and Communication Technology (ICT) security policies, backup facilities, contingency planning, and independent risk management function.

(iii) Project Risks

The risk associated with the mismanagement of projects leading to an adverse impact on the achievement of the project objectives. This risk may lead to delays in project completion, project cost overrun, legal disputes from infringement of terms of conditions and ultimately damage the Bank's reputation.

The Bank addresses these risks by putting in place Projects Management Framework and Operational Manuals which provide mandate, methodology and governance mechanism to ensure common and consistent application of project management principles and practices across the Bank.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(iv) Information Technology Risks

Risks arising from failure of software, hardware and IT infrastructure and other risks related to confidentiality, integrity and availability of information technology, or IT support services. The risk may result in failure of critical business applications, malicious software attacks and unauthorized access to Bank's IT assets and consequently disrupting business processes and adversely affecting the Bank's reputation.

In managing these risks, the Bank has put in place committees, policies and guidelines, which govern the usage and operations of IT systems and infrastructure by providing guidance on the protection of IT assets, business continuity management of its operations and internal controls against potential damage caused by technology risk events. Further, continuous assessment and monitoring of controls is done by IT team and reviewed by the risk and internal audit teams.

(v) External Stakeholders Risk

Risks arising due to the failure of stakeholders to meet obligations to the Bank or potential failure of the Bank to meet stakeholders' needs. This risk may potentially tarnish the reputation of the Bank if it materializes. The Bank manages these risks through strong involvement of stakeholders in carrying out its undertakings and conducting various sensitization campaigns and public education through various channels of communication.

(vi) Compliance and Business Practice Risks

Risks related to non-adherence to legislations, regulations, Government directives, and public or internal policies. This risk exposes the Bank to legal disputes which may result in the loss of the Bank's financial resources and reputational damage.

The Bank ensures the risk is mitigated through a high level of compliance with laws and regulations and code of conduct. Further, compliance reviews and monitoring in various departments are conducted to ensure that operations are in line with all applicable laws, regulations, standards, policies and procedures.

(vii) Legal Risk

Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counterparties. The Bank aims at minimizing such uncertainties through continuous consultations with all relevant parties.

In mitigating this type of risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. International Swaps and Derivatives Association (ISDA), International Securities Markets Association (ISMA), etc. Where substantially different contracts and substantive changes to existing contracts are entered into, external lawyers are contracted. The Bank has in place a clear procedure for the delegation of authorities. In addition, a strict code of conduct and ethics is used to minimize the chances of causing legal disputes between the Bank and its counterparts.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Strategic Risk

This entails policy, business, performance and external risks facing the Bank in course of its operations. Policy risks are associated with economic and monetary policy formulation, while business risk refers to the probability of loss inherent in the Bank's operations and environment. On the other hand, performance risk is associated with the formulation and execution of business plans and strategies, and external risks refer to threats from the external environment such as infrastructure disruption, financial crime, and computer viruses, political, social and economic changes. Similar to operational risk, strategic risk may result in damage to the Bank's reputation. In managing strategic risk, the Bank adheres to the best practices and applies the principle of sound corporate governance. It also ensures that all relevant employees have a clear understanding of the appropriate processes in respect to the best practices and principles of good governance. Further, the Bank sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines is periodically reported to the Bank's Management for control and compliance monitoring.

The top Management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of good governance and having regard to a proper balance between accountability and the best interests of the Bank and its various stakeholders. The Board assessed the internal control systems throughout the financial year ended June 2023 and is of the opinion that they met the accepted criteria.

14. LIQUIDITY MANAGEMENT

Liquidity management ensures at all times the Bank is able to discharge its mandate. This is achieved through setting annual budget for the implementation of departmental action plans derived from the set objectives. The budget allocation is based on approved ceiling, which is based on available resource envelope. The budget process ensures adequate allocation of funds is made in terms of both timing and adequacy. The resulting budget is then approved by the Board of Directors and acts as an expenditure limit. Additional information on liquidity risk is provided under risk management section.

15. EMPLOYEES WELFARE

(a) Management and Employees' Relationship

The rapport between the Bank and its employees remained highly positive. Throughout the year, any employee concerns that arose were predominantly addressed through consultative gatherings that involved management, the trade union, and employees via the worker's council. The Bank has in place a procedure for addressing grievances and actively promotes the resolution of issues through constructive dialogues and discussions. Consequently, a harmonious connection between management and the trade union persisted.

(b) Staff Training and Development

The Bank acknowledges the significance of its staff's expertise and competencies in its functions. As a result, it dedicates resources within its budget to enhance the capabilities of its personnel through both short-term and long-term training initiatives. Additionally, the Bank possesses a training institute known as the Bank of Tanzania Academy, located in Mwanza, along with various facilities on its premises to facilitate internal training programs.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Numerous developmental schemes are implemented by the Bank, encompassing initiatives like leadership programs. These programs offer complete or partial sponsorships, enabling employees to enhance their job performance and prepare for their professional advancement.

(c) Medical Assistance

The Bank extends medical support to its employees, their family members, retirees, and retirees' spouses. For the financial year ended on 30 June, 2023, these services were facilitated via the National Health Insurance Fund (NHIF).

(d) Health and safety

The Bank places paramount importance on proficiently managing health, safety, and potential risks. Through an active and efficient safety management system, the Bank maintains a secure working environment by conducting ongoing and thorough evaluations. In adherence to the Occupational Health and Safety Act of 2003 and its accompanying Regulations, the Bank tracks health and safety incidents to guarantee a safe workplace.

(e) Financial assistance to staff

In accordance with the prevailing Staff Bylaws and Financial Regulations, the Bank offers a range of soft loans and bereavement support to its employees.

(f) Employee's pension plan

The Bank operates a system in which both the employer and employees contribute on a monthly basis to pension schemes. These contributions are obligatory and they amount to twenty percent of the employees' basic salary. Specifics regarding the benefits scheme can be found in the Summary of Significant Accounting Policies, outlined in Note 3 of the financial statements.

(g) Voluntary agreement

The agreement is a key instrument for maintaining a positive industrial relations climate, fostering cooperation, and ensuring the welfare and rights of both employees and employer. The Bank has an agreement with the Tanzania Trade Union of Industrial and Commercial Workers (TUICO). This agreement helps promote cooperation, communication, and fairness in the workplace, ensuring a harmonious and productive work environment.

16. PERSONS WITH DISABILITIES AND GENDER PARITY

(a) Persons with disabilities

The Bank consistently reviews applications for employment from individuals with disabilities, taking into account the skills and abilities of the applicants. In cases where current staff members acquire disabilities, the Bank strives to support their ongoing employment within the Bank and facilitate suitable training opportunities.

The Bank adheres to a policy wherein training, career advancement, and promotion opportunities for disabled individuals are designed to be at par with those provided to other employees, whenever feasible.



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Gender balance

The Bank is an equal opportunity employer. It offers equal access to employment prospects and guarantees that the most qualified individual is selected for each role, devoid of any form of discrimination. Factors such as gender, marital status, ethnicity, religion, and disability, which do not hinder job performance, are not taken into consideration during the selection process. As of June 30, 2023 the Bank's workforce distribution by gender was as follows:

Gender	2023	Percent	2022	percent
Male	830	64.7	819	64.0
Female	452	35.3	458	36.0
Total	1,282	100.0	1,277	100.0

17. ENVIRONMENTAL CONTROL PROGRAM

The Bank maintains vigilance over the environmental impact of its operations, primarily related to energy consumption, water usage, and waste generation. To curtail this impact, the Bank optimizes its facilities and built-in features to ensure effective waste management. Additionally, the Bank adheres to the requisites of environmental impact assessments in its construction undertakings.

Despite the environmental effects stemming from the Bank's operations, its regulatory role empowers it to proactively address and alleviate environmental and climate-related financial risks. An immediate focus is on enhancing information dissemination within financial markets, enabling the appropriate consideration of climate-related financial risks in policy formulation, investment choices, and disclosure practices. Consequently, the Bank is enhancing its internal capacity to grasp regulatory interventions suitable for addressing environmental and climate-related financial risks.

Furthermore, the Bank has issued Guidelines for the Management of Climate-related Financial Risks. These guidelines are intended to assist banks and financial institutions in integrating robust governance and risk management frameworks related to environmental factors into their existing risk management systems.

18. POLITICAL, CHARITABLE CONTRIBUTIONS AND SUBSCRIPTIONS

During the year ended 30 June 2023, the Bank made various subscriptions and contributions to various organizations which amounted to TZS 3,219.4 million (2022: TZS 3,320.0 million). There was no donation made to any political party during the year.



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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Table 7: Beneficiaries of Contributions and Subscriptions

S/N	BENEFICIARY	2023	
		AMOUNT 'TZS MILLION'	PERCENT
1	Committee of Central Bank Governors	46.1	1.4
2	Research Development Fund	161.0	5.0
3	Association of African Central Banks	53.3	1.7
4	Macro Economic and Financial Management Institute	981.7	30.6
5	Capital Markets and Security Authority	708.8	22.1
6	Deposit Insurance Board	322.4	9.8
7	Tanzania Institute of Bankers	340.0	10.6
8	Donation and other contributions	404.3	12.6
9	Subscription to Various Entities	201.8	6.3
	TOTAL	3,219.4	100.0

19. CORPORATE SOCIAL RESPONSIBILITY

The Bank is committed to fulfilling part of its Corporate Social Responsibility (CSR) through supporting national activities and other areas of interest to the Bank in the United Republic of Tanzania. In this endeavour, the Bank has in place Donation Guidelines, 2009 that assist in the implementation of CSR. During the year, the Bank donated a total of TZS 404.3 million (2022: TZS 249.1 million) to various community groups.

20. PREJUDICIAL ISSUES

During the year ended 30 June 2023, there were no prejudicial issues to report as required by Tanzania Financial Reporting Standard No. 1 – The Report by Those Charged with Governance.

21. APPOINTMENT OF AUDITORS

Pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 – 33 of the Public Audit Act No. 11 of 2008 mandates the Controller and Auditor General (CAG) as the statutory auditor of the Bank of Tanzania.

In addition, Section 20(6) of the Bank of Tanzania Act, 2006 stipulated that the annual external audit of the Bank shall be performed by the Controller and Auditor General in accordance with international accounting and audit standards and in compliance with the Public Finance Act.

The contact and other details about the Controller and Auditor General are as provided below:

National Audit Office,
Audit House, 4 Ukaguzi Road,
41101 Tambukareli,
P.O. Box 950,
DODOMA, TANZANIA.
Tel: 255 (026) 216 1200,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz



Bank of Tanzania Annual Report 2022/23

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

22. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Bank present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard, the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Bank of Tanzania Act, 2006. And whether the procurement transactions and processes have complied with the requirements of the Public Procurement Act, (CAP.410 R.E 2022) No.7 of 2011 and its underlying Regulations of 2013 as amended in 2016.

23. STATEMENT OF COMPLIANCE BY THOSE CHARGED WITH GOVERNANCE

In performing the activities of the Bank, various laws and regulations having the impact on the Bank's operations were observed. Moreover, this report has been prepared in full compliance with the Tanzania Financial Reporting Standard No. 1 requirements - The Report by Those Charged with Governance.

24. APPROVAL

This Report was approved and authorized for issue by the Board of Directors during its Extra-Ordinary Meeting held on **15 December 2023** and signed on its behalf by

Mr. Emmanuel M. Tutuba

The Governor and Chairman of the Board

Mr. Ngosha Said Magonya

Director and Chairman of the Audit Committee



Bank of Tanzania Annual Report 2022/23

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), National Board of Accountants and Auditors' (NBAA) Pronouncements and the requirements of the Bank of Tanzania Act, 2006 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors accept responsibility for these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, NBAA's Pronouncements and in the manner required by the Bank of Tanzania Act, 2006.

The Board of Directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Bank and its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on **15 December 2023** and signed on its behalf by:

Mr. Emmanuel M. Tutuba

The Governor and Chairman of the Board

Mr. Ngosha Said Magonya

Director and Chairman of the Audit Committee



Bank of Tanzania Annual Report 2022/23

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the Bank.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the Bank showing true and fair view of the Bank's financial position and financial performance in accordance with applicable International Financial Reporting Standards, NBAA's pronouncements and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the statement of directors' responsibilities on page 83.

I, Augustino Nade Hotay, being the Head of Finance of the Bank of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with International Financial Reporting Standards, NBAA's Pronouncements and the Bank of Tanzania Act, 2006.

I thus confirm that the financial statements give a true and fair view position of the Bank of Tanzania as on that date and that they have been prepared based on properly maintained financial records.

Augustino Nade Hotay
Director of Finance
NBAA Membership No.: ACPA 1089

15 December 2023



Bank of Tanzania Annual Report 2022/23

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairman,
Bank of Tanzania,
16 Jakaya Kikwete Road 40184
P.O. Box 2303
Tanzania.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Bank of Tanzania, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Bank of Tanzania as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Bank of Tanzania Act, 2006.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Bank of Tanzania in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Director's Report, Declaration by the Head of Finance and Statements of Directors Report but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS's and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, [CAP.410 R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.



Bank of Tanzania Annual Report 2022/23

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods and services

I performed a compliance audit on procurement of works, goods and services in the Bank of Tanzania for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Bank of Tanzania is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Bank of Tanzania for the financial year 2022/23 as per the Budget Act and its Regulations and Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Bank of Tanzania is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Charles E. Kichere

Controller and Auditor General,

Dodoma, United Republic of Tanzania.

27 December 2023.





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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	<u>Notes</u>	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Operating income			
Interest income	5	553,476,664	318,752,271
Interest expenses	6	(75,375,268)	(5,224,168)
Net interest income		<u>478,101,396</u>	<u>313,528,103</u>
Net foreign exchange revaluation gains	7	-	54,433,746
Fees and commissions	8	94,936,128	76,591,085
Other operating income	9	43,017,092	39,777,244
		<u>137,953,220</u>	<u>170,802,075</u>
Total operating income		<u>616,054,616</u>	<u>484,330,178</u>
Operating expenses			
Net foreign exchange revaluation losses	7	(209,420,466)	-
Net realised/unrealized loss on marketable securities	10	(5,962,682)	(10,164,024)
Administrative expenses	11	(97,746,266)	(77,426,726)
Currency issue and related expenses	12	(63,153,397)	(64,548,016)
Personnel expenses	13	(128,308,715)	(121,704,029)
Other operating expenses	14	(24,622,147)	(239,513,654)
Depreciation of property and equipment	28	(24,760,248)	(28,491,796)
Loss on disposal of property and equipment	28	-	(48,553)
Amortisation of intangible assets	29	(1,679,732)	(2,045,101)
Total operating expenses		<u>(555,653,653)</u>	<u>(543,941,899)</u>
Profit/(loss) before tax		60,400,963	(59,611,721)
Income tax expense		-	-
Profit/(loss) for the year		<u>60,400,963</u>	<u>(59,611,721)</u>
Other comprehensive profit/(loss)			
<i>Items that will be reclassified to profit or loss</i>			
Net unrealized loss on marketable securities-FVOCI	15	(64,754,547)	(238,188,226)
<i>Items that will not be reclassified to profit or loss</i>			
Gain (Loss) on re-measurement of Defined Benefit Scheme	15	4,550,048	(8,469,745)
Net revaluation gain on equity investments	15	3,386,961	16,563,771
Total other comprehensive loss		<u>(56,817,538)</u>	<u>(230,094,200)</u>
Total comprehensive gain (loss)		<u>3,583,425</u>	<u>(289,705,921)</u>



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Assets			
Cash and balances with central banks and other banks	16	5,824,663,618	4,471,112,672
Escrow accounts	17	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	19	14,362,672	21,177,737
Quota in International Monetary Fund (IMF)	19	1,231,998,513	1,217,187,495
Foreign currency marketable securities	20	7,011,946,367	7,606,900,473
Government securities	22	2,081,966,776	2,479,507,487
Advances to the Government	23	4,384,438,958	2,022,036,054
Loans and receivables	24	314,277,199	430,404,969
Equity investments	21	118,230,124	111,721,028
Inventories	25	6,393,357	6,682,138
Deferred currency cost	26	85,698,678	92,991,489
Other assets	27	353,358,952	130,923,942
Property and equipment	28	1,010,932,348	1,023,189,769
Intangible assets	29	11,575,249	3,061,646
Total assets		<u>22,449,842,811</u>	<u>19,628,175,678</u>
Liabilities			
Currency in circulation	30	7,192,010,828	6,618,845,966
Deposits - Banks and non-bank financial institutions	31	4,341,042,181	3,651,670,348
Deposits – Others	33	2,869,496,105	2,701,166,785
Items in course of settlement	18	371,954,252	3,837,283
Foreign currency financial liabilities	34	2,766,499,447	2,300,452,450
Repurchase Agreement (Repos)	35	125,034,465	-
BoT liquidity papers	36	546,150,668	47,058,358
Provisions	37	5,681,104	5,841,897
Other liabilities	38	60,976,860	63,071,731
Retirement benefit obligation	43	2,022,345	18,445,849
IMF related liabilities	19	1,047,028,240	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	19	1,782,136,232	1,751,474,416
Total liabilities		<u>21,110,032,727</u>	<u>18,196,306,007</u>
Equity			
Authorised and paid up share capital	39	100,000,000	100,000,000
Reserves	40	1,239,810,084	1,331,869,671
Total equity		<u>1,339,810,084</u>	<u>1,431,869,671</u>
Total equity and liabilities		<u>22,449,842,811</u>	<u>19,628,175,678</u>

The financial statements on page 89 to 187 were approved and authorised by the Board of Directors for issue on 15 December 2023 and signed on its behalf by:

Mr. Emmanuel M. Tutuba
The Governor and Chairman of the Board

Mr. Ngosha Said Magonya
Director and Chairman of the Audit Committee



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023

	Share Capital Note 44	General Reserve Note 40 (a)	Retained Earnings	Capital Reserve Note 40 (b)	Equalisation Reserve Note 40 (c)	Reserve for Projects Note 40 (d)	Staff Housing Fund Note 40 (e)	Financial Sector Development Fund Note 40 (f)	Securities Revaluation Reserve Note 40 (g)	Foreign Exchange Revaluation Reserve Note 40 (h)	Reserve For Dividends Note 40 (i)	Defined Benefit Reserves Note 40 (j)	Total
Year ended 30 June 2023	100,000,000	750,914,385	-	99,262,908	372,815,082	23,809,186	146,317,881	45,804,945	(273,369,755)	100,427,672	100,000,000	(34,112,633)	1,431,869,671
(Amounts in TZS '000)			60,400,963						(61,367,586)			4,550,048	60,400,963
At 1 July 2022	100,000,000	750,914,385	-	99,262,908	372,815,082	23,809,186	146,317,881	45,804,945	(273,369,755)	100,427,672	100,000,000	(34,112,633)	1,431,869,671
Profit/(loss) for the year	-	-	60,400,963	-	-	-	-	-	-	-	-	-	60,400,963
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(61,367,586)	-	-	4,550,048	(56,817,538)
Transfer of realised loss from OCI securities to P&L*	-	-	-	-	-	-	-	-	(334,737,341)	-	-	(29,562,685)	1,435,453,096
Transfer of realised loss on securities revaluation reserve to Equalisation Reserves	-	-	-	-	(81,348,248)	-	-	-	4,356,988	-	-	-	4,356,988
Transfer of unrealised loss to foreign exchange revaluation reserve	-	-	173,582,462	-	-	-	-	-	-	(173,582,462)	-	-	-
Transfer of unrealised gain FV/TPL to securities revaluation reserve	-	-	(1,118,308)	-	-	-	-	-	1,118,308	-	-	-	-
Transfer of realised gain on foreign exchange revaluation reserve to retained earnings	-	-	34,705,584	-	-	-	-	-	-	(34,705,584)	-	-	-
Transfer of realised gain from previous years to retained earnings (RAMIP)	-	-	230,231	-	-	-	-	-	(230,231)	-	-	-	-
Staff housing fund	-	-	(7,000,262)	-	-	-	7,000,262	-	-	-	(100,000,000)	-	(100,000,000)
Dividends paid	-	-	(4,885,766)	-	-	-	-	4,885,766	-	-	-	-	-
Transfers to financial sector development fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from reserve for Projects to retained earnings	-	-	-	-	-	-	-	-	-	-	100,000,000	-	-
Appropriation of 2022/23 net profit	-	54,955,449	(255,914,884)	-	100,959,435	-	-	-	-	-	-	-	-
At 30 June 2023	100,000,000	805,869,834	-	99,262,908	392,425,269	23,809,186	153,318,143	50,690,731	(248,144,028)	(107,860,374)	100,000,000	(29,562,685)	1,339,810,084

* Transfer of realised gains includes amount relating to price valuation and amortization premium/discount on foreign marketable securities that are measured at FVOCI recycled to profit or loss statement.



Bank of Tanzania Annual Report 2022/23

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

Year ended 30 June 2022 (Amounts in TZS '000)	Share Capital Note 44	General Reserve Note 40 (a)	Retained Earnings	Capital Reserve Note 40 (b)	Equalisation Reserve Note 40 (c)	Reserve for Projects Note 40 (d)	Staff Housing Fund Note 40 (e)	Financial Sector Development Fund Note 40 (f)	Securities Revaluation Reserve Note 40 (g)	Foreign Exchange Revaluation Reserve Note 40 (h)	Reserve for Dividends Note 40 (i)	Defined Benefit Reserves Note 40 (j)	Total
At 1 July 2021	100,000,000	750,914,385	-	99,262,908	372,815,082	210,000,000	140,851,098	38,698,854	12,495,637	63,101,454	200,000,000	(25,642,888)	1,962,496,530
Profit/(loss) for the year	-	-	(59,611,721)	-	-	-	-	-	-	-	-	-	(59,611,721)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(221,624,455)	-	-	(8,469,745)	(230,094,200)
Transfer of realised gains from OCI securities to P&L*	100,000,000	750,914,385	(59,611,721)	99,262,908	372,815,082	210,000,000	140,851,098	38,698,854	(209,128,818)	63,101,454	200,000,000	(34,112,633)	1,672,790,609
Transfer of unrealised gains to foreign exchange revaluation reserve	-	-	(90,857,809)	-	-	-	-	-	(40,920,938)	90,857,809	-	-	(40,920,938)
Transfer of unrealised loss FVTPL to securities revaluation reserve	-	-	30,147,777	-	-	-	-	-	(30,147,777)	-	-	-	-
Transfer of realised gain on foreign exchange revaluation reserve to retained earnings	-	-	53,531,591	-	-	-	-	-	-	(53,531,591)	-	-	-
Transfer of realised loss from previous years to retained earnings (RAMP)	-	-	(6,827,778)	-	-	-	-	-	6,827,778	-	-	-	-
Staff housing fund	-	-	(5,466,783)	-	-	-	5,466,783	-	-	-	-	-	-
Dividends paid	-	-	(7,106,091)	-	-	-	-	7,106,091	-	-	(200,000,000)	-	(200,000,000)
Transfers to financial sector development fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from reserve for Projects to retained earnings	-	-	186,190,814	-	(186,190,814)	-	-	-	-	-	100,000,000	-	100,000,000
Appropriation of 2021/22 net profit	-	-	(100,000,000)	-	-	-	-	-	-	-	-	-	-
At 30 June 2022	100,000,000	750,914,385	-	99,262,908	372,815,082	23,809,186	146,317,881	45,804,945	(273,369,755)	100,427,672	100,000,000	(34,112,633)	1,431,869,671

* Transfer of realised gains includes amount relating to price valuation and amortization premium/discount on foreign marketable securities that are measured at FVOCI recycled to profit or loss statement.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30.06.2023 TZS '000	30.06.2022 TZS '000
Cash flows from operating activities			
Net cash (used in)/ generated from operating activities	41	(580,675,966)	39,111,983
Cash flows from investing activities			
Purchase of property and equipment	28	(16,096,443)	(56,079,723)
Proceeds from disposal of property and equipment	28	18,603	6,982
Purchase of intangible assets	29	(8,162,022)	(306,365)
(Increase)/decrease in foreign currency marketable securities		468,873,970	(1,704,670,021)
(Increase)/decrease in Government securities		397,540,711	(1,606,329,077)
Increase in equity shares		(3,122,135)	(50,903,071)
Decrease holdings of SDRs		6,815,065	1,040,112
Net cash flows from investing activities		845,867,749	(3,417,241,163)
Cash flows from financing activities			
Increase in currency in circulation		573,164,862	914,168,553
Increase in allocation of SDRs	41	9,372,940	1,126,717,784
Increase in Repurchases Agreements		125,034,465	
Increase in BoT liquidity papers		499,092,306	7,047,843
Dividends paid to the Government		(100,000,000)	(200,000,000)
Lease principal payments		(589,934)	(518,567)
Cash generated from financing activities		1,106,074,639	1,847,415,613
Net increase/(decrease) in cash and cash equivalents		1,371,266,422	(1,530,713,567)
Unrealized (loss)/gains on foreign exchange revaluation		(17,629,827)	167,477,233
Cash and cash equivalents			
At the beginning of the year		4,471,157,607	5,834,393,941
At the end of the year	16	5,824,794,202	4,471,157,607



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. REPORTING ENTITY

Legal framework

The Bank of Tanzania operates under the Bank of Tanzania Act, 2006, to act as the Central Bank for the United Republic of Tanzania. Its principal place of business is at 16 Jakaya Kikwete Road 40184, Dodoma, Tanzania and it operates sub head offices in Dar es Salaam and Zanzibar and four branches in Arusha, Mbeya, Mtwara and Mwanza. The Bank is an independent institution with its own legal personality and submits its reports to the Minister for Finance and Planning.

The Bank's principal responsibilities are to:

- (a) Conduct monetary policy and manage the exchange rate policy of the Tanzania Shillings aimed at supporting orderly, balanced and sustainable economic growth of Tanzania;
- (b) Regulate and supervise financial institutions carrying on activities in, or from within, Tanzania, including mortgage financing, lease financing, development financing and licensing and revocation of licenses;
- (c) Manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Tanzania;
- (d) Collect, compile, disseminate, on a timely basis, monetary and related financial statistics; and
- (e) Hold and manage gold and foreign exchange reserves of Tanzania.

Section 17 of the Bank of Tanzania Act, 2006, (the Act) provides that the authorised capital of the Bank to be one hundred billion Tanzanian Shillings (TZS 100 billion). The capital may be increased by transfer from the General Reserve established by the Act such amount as may be determined by the Board and authorised by the Minister of Finance and planning, by notice published in the government Gazette.

The paid up capital of the Bank shall not be reduced. The capital of the Bank shall be subscribed and held solely by the Government of the United Republic of Tanzania.

Section 18(1) of the Bank of Tanzania Act, 2006 provides that, the Bank shall establish and maintain:

- (a) A General Reserve Fund;
- (b) A Foreign Exchange Revaluation Reserve;
- (c) Other appropriate assets revaluation reserves or retained net unrealised gains reserves, set up under a decision of the Board to reflect changes in market values of the Bank's major assets and in accordance with the best international accounting practice; and
- (d) Other special reserves or funds from time to time from appropriation of net profit.

Under Section 18(2) of the Act, the Bank shall transfer to the General Reserve Fund twenty-five per-centum of the net profits until such time that the total capital of the Bank reaches a sum equivalent to at least ten per-centum of the total assets of the Bank less its assets in gold and foreign currencies, thereafter the Bank shall transfer not less than ten percent of its net profits to the General Reserve Fund.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

Legal Framework (continued)

In terms of Section 18(3) of the Act, the Board shall determine, whenever the authorised capital, the General Reserve Fund, the Foreign Exchange Revaluation Reserve and other appropriate asset revaluation reserves or retained net unrealised gains reserves set up by the Board are below five per cent of monetary liabilities all profits shall be retained to the General Reserve Fund, the Foreign Exchange Revaluation Reserve and to any other asset revaluation reserve.

Section 18(4) of the Act provides that; unrealised profits or losses from any revaluation of the Bank's net assets or liabilities in gold, foreign exchange, foreign securities or any internationally recognised reserve asset as a result of any change in the par or other value of any currency unit shall be transferred to a special account to be called the Foreign Exchange Revaluation Reserve Account; the same procedure shall be applied to market value movements in relation to the Bank's other major assets when any of the underlying asset is eventually sold, any resultant realised components shall be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

Section 18(5) of the Act, requires both realised and unrealised gains and losses to be included in the profit calculation but only the residual of any net realised profits of the Bank to be paid, within three months of the close of each financial year, into the Consolidated Fund; subject to the condition that if at the end of any financial year any of the Governments (The Government of the United Republic and the Revolutionary Government of Zanzibar) is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the indebtedness and thereafter such amount as relates to the net realised profits of the Bank in the relevant financial year shall be paid out of the Consolidated Fund to the Treasury of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar in accordance with the formula agreed upon by the Governments.

Section 19(1) of the Act, provides that, where the Bank's Statement of Financial Position indicates that the amount of its assets is less than the amount of its liabilities and the statutory fund, the Minister of Finance and Planning shall, on behalf of the United Republic, issue to the Bank negotiable interest-bearing securities at market determined interest rates with a fixed maturity date to the amount necessary to restore the Bank's level of paid up capital.

In terms of Section 20(1) of the Act, the financial year of the Bank shall be the period commencing on 1 July of each year and the accounts of the Bank shall be closed on 30 June of each financial year. Furthermore, Section 20(2) of the Act provides that, the Bank's accounting policies, procedures and associated accounting records shall be consistent at all times with the best international accounting standards.

Section 20 (6) of the Act, provides the annual external audit of the Bank to be performed by the Controller and Auditor General in accordance with International Accounting and Auditing Standards and in compliance with the Public Finance Act. Section 23 of the Act provides that the Bank shall only be placed in liquidation or wound up pursuant to the procedure prescribed in an enactment of Parliament but the provisions of the Companies Act and the Companies Decree shall not apply in relation therewith.



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(a) New and revised IFRSs that are mandatorily effective for the year

The Management has adopted new and revised IFRSs that are effective for annual periods beginning on or after 1 January 2022, and are in line with the Bank's accounting policy and practice. The new and revised IFRSs include the Amendments to IAS 16, IAS 37, IFRS 16 and IFRS 9.

The Management has also noted, but did not apply, the standards or amendments that are not applicable to the Bank's current business and accounting policy. The unapplied amendments include those related to taxation in fair value measurements leading to changes in IAS 41 Agriculture, asset or liability in a business combination leading to changes in IFRS 3 Business Combinations and subsidiary as a first-time adopter leading to changes in IFRS 1 First-time Adoption of International Financial Reporting Standards.

New and revised IFRSs applicable to the Bank's accounting policy

(i) Amendments to IAS 16- Proceeds Before Intended Use

This amendment to IAS 16- Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any amounts received from selling items produced while an entity is preparing the asset for its intended use. Instead, an entity should recognize such sales proceeds and related cost in the statement of profit or loss.

Based on assessment done, the management is of the opinion that, because there are no sales proceed related to an asset being prepared for its intended use, the application of this amendment has no impact on the Bank's financial reporting framework apart from being additional disclosure.

(ii) Amendments to IAS 37- Onerous Contracts- Cost of Fulfilling a Contract

This amendment to IAS 37- Provisions clarifies the cost to include as the cost of fulfilling a contract when assessing whether a contract is onerous. It states that, the cost of fulfilling the contract should include both the incremental costs of fulfilling the contract and an allocation of other costs that relate directly to fulfilling contracts. This will apply to contracts for which the entity has not yet fulfilled its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.

Based on assessment done, the management is of the opinion that the application of this amendment has no impact on the Bank's financial reporting framework apart from being additional disclosure.

(iii) Amendments to IFRS 9- 10 Percent test in De-Recognition of Financial Liabilities

This amendment to IFRS 9 - Financial Instruments clarifies the fees that an entity should include when applying the 10 percent test in de-recognition of financial liabilities. An entity should include only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on the other's behalf.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Based on assessment done, the management is of the opinion that the application of this amendment has no impact on the Bank's financial reporting framework apart from being additional disclosure.

(iv) Amendments to IFRS 16- Lease Incentives

This amendment to IFRS 16 - Lease removes from the example 13 of the illustration of the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example

Based on assessment done, the management is of the opinion that the application of this amendment has no impact on the Bank's financial reporting framework apart from being additional disclosure.

(b) Amended standards in issue but not yet effective for the year

The Bank has not early adopted any of the following new and revised IFRSs that have been issued but are not yet effective. Commentary is provided for the amendments and standards that are applicable to the Bank's operations

Amended standards:	Effective for annual periods beginning on or after
IAS 1 - Presentation of Financial Statements	1-Jan-23
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2	1-Jan-23
IAS 1 - Presentation of Financial Statements	1-Jan-24
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	1-Jan-23
IAS 12 – Income Taxes	1-Jan-23
IFRS 16 – Lease	1-Jan-24
IFRS 17 - Insurance Contracts	1-Jan-23
IFRS S1- General Requirements for Disclosure of Sustainability	1-Jan-24
IFRS S2 - Climate-related Disclosures	1-Jan-24

(i) Amendments to IAS 1- Classification of Liabilities as Current or Non-Current

The International Accounting Standards Board (IASB) issued amendment of classification of liabilities as current and non-current in July 2020. The amendment will only affect the presentation of liabilities in the statements of financial position. The classification of liabilities as current and non-current should base on rights that are in existence at the end of the reporting period.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

(ii) Amendments to IAS 1 and IFRS Practice Statement 2- Disclosure of Accounting Policies

The International Accounting Standards Board (IASB) issued amendment of disclosure of accounting policies in February 2021. The amendment of disclosure of accounting policies will assist preparers in deciding which accounting policies to disclose in the financial statements, that is entities to disclose material accounting policies rather than significant accounting policies.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant

(iii) Amendments to IAS 1- Non-Current Liabilities with Covenants

The IASB issued amendment of Non-Current Liabilities with Covenants in October 2022. The amendment introduced an additional disclosure requirement of information in the notes that will enable users to understand the risk that the liability could become repayable within twelve months of the reporting period for non-current liabilities that are subject to the covenants which an entity is required to comply with within twelve months of the reporting date.

The amendment will help to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

Management is still evaluating the requirements of this amendment and its impact on the Bank's financial reporting when it falls due.

(iv) Amendments to IAS 8- Definition of Accounting Estimates

The IASB introduced a new definition of accounting estimates in February 2021. The amendment introduces a new definition of accounting estimates which states that accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. This is in order to help entities to distinguish between accounting policies and accounting estimates.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.

(v) Amendments to IFRS 16- Lease Liability in a Sale and leaseback

The IASB developed amendment to IFRS 16 on Lease Liability in a Sale and leaseback. The amendment describes how an entity should account for a sale and leaseback after the date of the transaction. It requires a seller-lessee to subsequently account for lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains, and includes one amended and one new illustrative example.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Presentation of financial statements

The Bank presents its Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date and more than 12 months after the statement of financial position date is presented in Note 42.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

3.2 Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise stated or as required by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities to be stated at their fair value as disclosed in the accounting policies hereafter. The financial statements are presented in thousands of Tanzanian Shillings (TZS '000) except where explicitly stated.

3.3 Statement of compliance

The financial statements of Bank of Tanzania have been prepared in accordance with International Financial Reporting Standards as far as they are practically applicable to the Bank and comply with the requirements of the Bank of Tanzania Act, 2006. The Report by Those Charged with Governance is presented together with financial statements in compliance with Tanzania Financial Reporting Standards.

3.4 Revenue recognition

Revenue is recognised to in the period when earned. The Bank recognises revenue on the basis of IFRS 9: Financial Instruments and IFRS 15: Revenue from Contract with Customers. The following specific recognition criteria must be met before revenue is recognised:

3.4.1 Interest income

Interest income includes interest on financial instruments measured at fair value through other comprehensive income and financial instruments measured at amortized cost.

Interest income is recognised in the statement of profit or loss and other comprehensive income using the effective interest method for all interest bearing financial instruments, except for financial assets measured at fair value through profit or loss (FVTPL). The effective interest rate, is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) and includes any fees or incremental cost that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of receipts or payments. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount (amortised cost).

For purchased or originated credit-impaired financial asset, interest income is recognised by applying the credit-adjusted effective interest rate to amortised cost.

For financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

3.4.2 Fees and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

Fees and commissions are generally recognised on an accrual basis when the service has been rendered. The recognition is when or as performance obligations within contract with customer are satisfied. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct cost) and recognised as an adjustment to the effective interest rate on the loan. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

3.4.3 Dividend income

Dividend on equity investments that are measured at fair value through other comprehensive income (FVOCI) are recognised in the statement of comprehensive income when the Bank's right to receive the payment is established.

3.4.4 Other income

Other income is recognized on the basis of IFRS 15 and in the period in which it is earned. Income falling under IFRS 15 is recognized after transfer of promised goods or services to customers in an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those goods or services. These include income from hire of conference facility, rental income, income from hostel accommodation and fees and commission.

Other income out of the scope of IFRS 15 is recognised in the period in which it is earned. These include coupon from assets measured at fair value through profit or loss (FVTPL), income from domestic operations and investment income from Staff Housing Fund and Financial Sector Development Fund.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.5 Dividend payable

Dividend is recognised as a liability in the period in which it is declared. Proposed dividend is disclosed as a separate component of equity.

3.6 Expenses

These are losses and other expenses that arise in the course of Bank's ordinary activities. They include interest and administrative expenses. Generally, expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

3.6.1 Interest expenses

Interest expense is the cost of debt that has accrued during a specified accounting period regardless of the time of spending the cash. These include interests on liquidity papers, repurchase agreements and IMF drawings. Interest expenses are recorded using the effective interest rate method.

Since interest on debt is not paid daily, the Bank passes adjusting entries periodically to recognise interest expense within the accounting period that the expense has been accrued.

3.6.2 Administrative expenses

This includes expenses that produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset. Such expenses are recognised immediately in the income statement in the accounting period that the cost has been incurred. These include maintenance, transport and travelling, meetings, conference and seminars, water and electricity, fees, rates and security expenses, telecommunication and postage, board expenses, audit fees, budget and annual accounts preparation, loss on disposal of property and equipment, hospitality, legal and investigation expenses.

In addition, administrative expenses include expenses whose economic benefits are expected to arise over several accounting periods and the association with benefit can only be broadly or indirectly determined. Such expenses are recognised in the income statement in the accounting period in which the economic benefits are consumed or have expired. They may include stationery and office supplies.

3.6.3 Other expenses

Other expenses are recognised in the statement of profit or loss and other comprehensive income when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

3.7 Employees' benefits including post-employment benefits

Short-term employment benefits such as salaries, social security contributions, and leave fare assistance are recognised in Statement of Profit or Loss and Other Comprehensive Income when they fall due.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.8 Retirement benefits

The Bank has a statutory obligation to contribute for retirement benefits to its employees. All eligible employees of the Bank are currently members of the social security schemes operating in Tanzania. The fund where employees are members is Public Sector Social Security Fund (PSSSF) Under this scheme, the Bank and employee contribute agreed rate of employee's basic salary every month. The Bank signed a Voluntary Agreement (VA) with the Tanzania Union of Industrial and Commercial Workers (TUICO), which provides for a number of benefits on retirement upon attaining a number of years in service with the Bank as specified in the Bank's Staff Bylaws. The provisions in the VA and Staff By-Laws constitute a defined benefits plan, which has been accounted and disclosed in accordance with the requirements of International Accounting Standard 19 Employee Benefits.

The plan is partly funded through employees' contribution. There are two categories of benefits to Bank's staff. The first is payable to staff employed for unspecified period and second is to executive management who are under specific contracts. Benefits are paid upon end of contract, retirement, withdrawal or death as specified in the Staff By-Laws.

The total accumulated obligation to the Bank relating to this arrangement is based on assessments made by independent actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Under IAS 19, measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic and financial assumptions, including future salary growth. The assumptions used are applied for the purposes of compliance with the IAS 19 only.

Re-measurement comprising of actuarial gains and losses are reflected immediately in the statement of the financial position with a charge or credit recognised in Other Comprehensive income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and not reclassified to profit or loss.

Past service, cost is recognised in the profit or loss in the period of plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined beginning obligation. In the absence of a deep corporate bond market in Tanzania, the Bank has used the discount rate for Tanzania long-term bond yields as published in the Bank Monthly Economic Reviews.

The Bank presents current service cost and net interest cost in personnel expenses. Curtailment gains and losses are accounted for as past service cost.



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.9 Other employee benefits

The Bank provides free medical treatment to its employees and their dependants through medical insurance scheme. Exclusions are met by the Bank as medical expenses. The cost is charged to profit or loss. The estimated monetary liability for employees' earned but not taken leave entitlement at the end of the reporting period is recognised as an accrued expense.

3.10 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Income Tax

No provision for income tax is made in the Financial Statements as Section 10 Second Schedule of the Income Tax Act, 2004 exempts the Bank from taxation imposed by law in respect of income or profits.

Further, according to Section 22(1) and (2) of the Bank of Tanzania Act, 2006, the Bank is exempt from payment of any taxes, levies or duties in respect of its profits, operations, capital, property or documents or any transaction, deed, agreement or promissory note to which it is a party. The Bank is also exempt from payment of stamp duty or other duties in respect of notes and coins issued as currency under the Act.

The Bank pay Value Added Tax (VAT), as per the VAT legislations, on goods or services provided to the Bank. The Bank is also required to pay import and customs duties in accordance with the provisions of the East African Customs Management Act, 2004

3.12 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions during the year and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in profit or loss.



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.13 Foreign exchange revaluation reserve under the legal framework

The realised foreign exchange gains/losses are separated from the total revaluation gains/losses. The unrealised part is excluded from computation of distributable profits for the year and is carried in foreign currency revaluation reserve until realised in subsequent years thereby becoming part of the distributable profits. These are determined as follows:

- (a) For each foreign currency account or security for the case of securities accounts, cash inflows and outflows are determined.
- (b) Each inflow is valued using the prevailing exchange rate.
- (c) Each outflow is revalued using the prevailing exchange rate and compared with the rate at which the outflow was recognised in the books of accounts. Where specific originating rate cannot be identified, the applicable is determined on First in First out (FIFO) basis. The difference between the two entries represent realised revaluation gains or losses.
- (d) All balances in foreign currencies are revalued using prevailing exchange rates. The differences between the values at the time when the related instrument was recognised, and the current values represent unrealised losses or gains as the case may be.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.14 Property and equipment

Property and equipment are initially recorded at construction, acquisition or purchase cost plus direct attributable cost. Where an item of property and equipment comprises, major components having different useful lives, they are accounted for separately. Property that is being constructed or developed for future use to support operation is classified as Work in Progress (WIP) and stated at cost until construction or development is complete and is available for use, at which time it is reclassified as property and equipment in use.

The Bank's immovable properties (buildings) are subsequently measured at cost less accumulated depreciation on buildings and impairment losses. Depreciation is charged to profit or loss on a straight-line basis to write off the cost of property and equipment to their residual values over their expected useful lives. These residual values and expected useful lives are re-assessed on an annual basis and adjusted for prospectively, if appropriate.

The review of residual values takes into account the amount that the Bank would currently obtain on disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful or economic life (whichever is earlier).

Depreciation rates and useful life applied for the year ended 30 June 2023 were as follows:

Asset classification	Annual depreciation rate (%)	Useful life years
Office Premises	1.0	100
Staff Club Premises	1.5	67
Residential Premises	1.5	67
Computer Servers	25.0	4
Computer Printers	25.0	4
Personal Computers	25.0	4
Network Equipment	25.0	4
Bullion Trucks and Armoured Vehicles	10.0	10
Motor Vehicles	20.0	5
Currency Processing Machines	10.0	10
Machinery and Equipment	20.0	5
Security Monitoring, Fire Detection and Fire Fighting Systems	25.0	4
Office Furniture	20.0	5

No depreciation is charged to Capital Work-in-Progress. Property and equipment acquired during the year are depreciated from the date when they are available for use and cease to be depreciated at earlier of the date that the asset is classified as held for sale or the date that the assets are derecognised.

Property and equipment are derecognised when no economic benefits are expected from its use or disposal. The disposal methods applied include; sale, donation or scrapping. Gains or losses on disposal of property and equipment are determined by comparing net disposal proceeds if any with the carrying amount and are taken into account in determining operating profit or loss



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.15 Intangible assets

Intangible assets consist of computer application software and computer application licence packages. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment at the reporting date to ascertain if there is an indication that the intangible asset may be impaired. Generally, cost associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally developed intangible assets are not capitalised unless they meet certain criteria.

Internally developed software products include direct cost incurred by the Bank and are recognised as intangible assets upon meeting the following criteria:

- (a) it is technically feasible to complete the software product so that it will be available for use;
- (b) management intends to complete the software product and use it;
- (c) there is ability to use the software product;
- (d) it can be demonstrated how the software product will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use the software product are available; and
- (f) the expenditure attributable to the software product during its development can be measured reliably.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation, which has been consistently applied, is 25 percent. The amortisation period and the amortisation method for an intangible asset are reviewed at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.16 Lease

The lease policy for the Bank covers recognition, measurement and disclosure of right of use assets and lease liabilities, as per IFRS 16 Leases

(a) Date of recognition

The Bank assesses whether the contracts contain lease element and recognize assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value as guided by IFRS 16. Leases are recognised as right-of-use assets and liabilities at the date at which the leased assets are available for use by the Bank.

(b) Initial recognition and subsequent measurement

(i) Lease assets

The Bank recognises right of use in respect of land plot and fibre optic cables. The Bank measures right of use asset using cost model. Amount recognized as right of use asset at initial recognition takes into consideration; estimated incremental borrowing rate as a discount rate, any initial direct costs, disposal costs to be incurred during dismantling and removing of the underlying asset. Payments associated with all short-term leases and leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss

Subsequently the Bank measures right of use asset assets at cost, this accommodates all adjustments including accumulated depreciation and any accumulated impairment losses that may arise during the lifetime of the lease

The right-of-use assets are depreciated over the shorter of the remaining contractual time at recognition date, and the lease term on a straight-line basis. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated. The amortisation periods for the right-of-use assets are up to 99 years for land plots and up to 5 years for fibre optic cables

(ii) Lease liabilities

Lease liabilities are recognized in the balance sheet and are measured at the present value of the remaining lease payments discounted at the weighted average Bank's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

After commencement date the Bank measures lease liability by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring carrying amount to reflect lease modification, revised payments or other assessments.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

(c) Presentation and disclosure

The Bank presents the right of use assets and liability as line items in the notes of the financial statements under property, plant and equipment. Lease interest expense is presented in the statement of comprehensive income as operating expense separate from other interest expenses. Cash payments for the principal portion of lease liabilities are presented in the cash flow statements under financing activities

3.17 Capital grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released as income in equal instalments over the expected useful life of the related asset.

When the Bank receives non-monetary grants, the asset and the grant are recorded at gross amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

3.18 Currency printing and minting expenses

These expenses include ordering, printing, minting, freight, carriage insurance and handling expenses which are first deferred after delivery. Based on the currency issued into circulation, the respective proportional actual cost expenses incurred are released to profit or loss from the deferred currency expenses account on weighted average cost basis.

3.19 Currency in circulation

This represents Tanzanian currency that has been issued into the Tanzanian economy by the Bank since inception. Currency in circulation is measured at the face value of notes and coins issued. Currency in circulation is determined by netting off notes and coins issued against the balance held in the Bank of Tanzania vaults, safe custody centres and notes and coins destroyed.

3.20 Impairment of non-financial assets

Non-financial assets include Property and equipment, Intangible assets and Right of use leased assets. The Bank assesses at each reporting date whether there is an indication of impairment and whenever events or changes in circumstances indicate that the carrying amount of non-financial assets exceeds their recoverable amount. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

An assessment is made at each reporting date as to whether or not there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.21 Repurchase and Resale Agreements (REPOs and Reverse REPOs)

Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to purchase the same securities at a specified future date at a fixed price. Resale agreements are contracts under which a party purchases security and simultaneously agrees to resell the same securities at a future date at a fixed price.

It is the Bank's policy to take possession of securities purchased under resale agreements, which are primarily liquid government securities. The market value of these securities is monitored and, within parameters defined in the agreements, additional collateral is obtained when their fair value declines. The Bank also monitors its exposure with respect to securities sold under repurchase agreements and, in accordance with the terms of the agreements, requests the return of excess securities held by the counter party when fair value increases.

Repurchases and resale agreements are accounted for as collateralised financing transactions and recorded at the amount at which the securities were acquired or sold plus accrued interest.

REPOs continue to be recognised in the Statement of Financial Position and are measured in accordance with policies for financial liabilities.

The difference between sale and purchase price is treated as interest income or expense and is recognised in profit or loss.

3.22 Foreign Exchange Revaluation Reserve

The Bank has a policy whereby both net realised, and unrealised foreign exchange gains and losses are firstly recognised in profit or loss in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The net realised foreign exchange gains (losses) for the year arising from daily revaluation of foreign assets and liabilities form part of the distributable profits while the net unrealised foreign exchange revaluation gains (losses) are transferred to the Foreign Exchange Revaluation Reserve.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

3.23 Reserve for Dividend

This reserve accommodates the amount of proposed dividend to the Governments as at end of the accounting period or declared dividend if the declaration is made after the end of the period but before the financial statements are signed. In accordance with Section 18 (5) of the Bank of Tanzania Act, 2006, the remainder of the net profits of the Bank is paid to the Governments as dividend. However, this is subject to the condition that if at the end of any financial year any of the Governments is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the Governments indebtedness.

3.24 Financial instruments

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities.

(a) Date of recognition

The Bank recognises financial instruments on the trade date, that is the date that the Bank commits to purchase or sell the asset. Such purchases or sales of financial assets would require delivery of assets within the time frame generally established by regulation or convention in the market place.

(b) Initial recognition and subsequent measurement

All financial instruments under IFRS 9 are initially measured at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental cost of acquisition or issue.

(c) Classification of financial instruments

IFRS 9 classification is based on two aspects: the business model within which the asset is held (the business model test) and the contractual cash flows of the asset which meet the Solely Payments of Principal and Interest ('SPPI') test.

Classification of financial assets

Under IFRS 9 there are three principal classification categories for financial assets: measured at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL).

(a) Amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition);

- (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These includes all other financial assets with an exclusion of foreign currency marketable securities and investments in Equity.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets measured at FVOCI-debt instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at fair value through profit or loss on initial recognition and are subsequently measured at fair value with gains or losses recognised in other comprehensive income;

- (i) the asset is held within a business model whose objective is both to hold assets in order to collect contractual cash flows and sale; and
- (ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These includes all foreign currency marketable securities that are internally managed. When the financial asset (debt instrument) is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment as required by IFRS 9 and IAS 1.

(c) Financial assets designated as measured at FVTPL

Financial assets designated as FVTPL are measured at fair value. Gains and losses that arise as a result of changes in fair value are recognised in profit or loss, gains and losses that arise between the end of the last annual reporting period and the date an instrument is derecognised do not constitute a separate profit or loss on disposal. Such gains and losses will have arisen prior to disposal, while the item is still being measured at FVTPL, and are recognised in profit or loss when they occur. These are foreign currency marketable securities that are externally managed.

(d) Fair Value through Other Comprehensive Income (FVTOCI)-Investments in Equity

On initial recognition, the Bank made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. These are equity investment in Afreximbank and Society for Worldwide Interbank Financial Telecommunication (SWIFT). When the financial asset (equity instrument) is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified within equity.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

This represents issued financial liabilities or their components, which are not held at fair value through profit or loss, financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or when the continuing involvement approach applies, commitments to provide a loan at below market interest rate and hedged items are classified at amortised cost. All Bank's financial liabilities are classified as measured at amortised cost using the effective interest rate method.

De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Bank of similar financial assets) is derecognised where:

- (a) the rights to receive cash flows from the asset have expired; or
- (b) the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either
 - (i) the Bank has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Bank's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are derecognised when the obligation to pay cash flows relating to the financial liabilities has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

Determination of fair value

The fair value for financial instruments traded in active markets at reporting date is based on their quoted market price or dealer price quotations without any deduction for transaction cost.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

Impairment of financial assets

The impairment of financial assets is based on expected credit losses. The Bank recognizes loss allowances for Expected Credit Losses (ECL) on all financial assets except those that are measured at FVTPL and equity investments measured at FVOCI.

The Bank uses the general approach in determining the impairment of financial assets. A loss allowance is always recognized for expected credit losses and is re-measured at each reporting date for changes in those expected credit losses. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

Debt investment securities, advances to the government and other government securities that are determined to have low credit risk at the reporting date and other financial instruments on which credit risk has not increased significantly since their initial recognition. The Bank considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Bank recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Bank measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the Effective Interest Rate (EIR) multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

Significant Increase in credit risk (SICR)

The Bank decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Bank uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

For all financial instruments the Bank considers that financial instruments for which default patterns are not concentrated at a specific point during the expected life of the financial instrument, changes in the risk of a default occurring over the next 12 months may be a reasonable approximation of the changes in the lifetime risk of a default occurring and could be used to determine whether credit risk has increased significantly since initial recognition.

The appropriateness of using changes in the risk of a default occurring over the next 12 months to determine whether lifetime expected credit losses should be recognized depends on the facts and circumstances. The Bank applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

Quantitative Criteria

The quantitative criteria are based on relative and not absolute changes in credit quality by ratings and days past due depending on the types of instruments as detailed below:

Cash and balances with Central Banks and other banks, Holdings of Special Drawing Rights (SDRs), Quota in International Monetary Fund (IMF) and foreign currency marketable securities: the SICR indicator is determined by comparing the movement in credit rating at origination date and credit rating at the reporting date.

Notch movements give an indicator of the number of downgrades required in order for the asset to be considered to have a significant change in the credit rating. Therefore, highly rated assets for example those in the AAA category would need to move down three notches to AA- (or below) for it to be considered a significant increase in credit risk whereas an asset rated B- would only need to move down one notch.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Staff loans: staff who are still in employment with the Bank, there is no increase in credit risk at any point in time as the cash flow for staff loan is deducted from the payroll directly hence no increase in credit risk.

For staff who are no longer employees of the Bank of Tanzania, the increase in credit risk is determined by using the backstop indicator of 30 days past due of instalments (as prescribed in the IFRS 9 standard) is used to determine significant increase in credit risk.

Government securities and Advances to the Government: The Bank considered all government securities and short-term advances to the Government of United Republic of Tanzania to be low credit risk assets.

Qualitative Criteria

Other factors are considered by the Bank policies in the determination of significant increase in credit risk. They include but not limited to the following:

- (a) Significant changes in the terms of the same instrument if it were issued at the reporting date that indicate a change in credit risk since initial recognition, e.g.: increase in credit spread; more stringent covenants; increased amounts of collateral or guarantees; or higher income coverage.
- (b) Significant changes in external market indicators of credit risk for the same financial instrument (or similar instrument of the borrower), e.g.: credit spread; credit default swap prices; length of time or the extent to which the fair value of a financial asset has been less than its amortized cost; other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments; or external credit rating (actual or expected).
- (c) Changes in the Bank's credit management approach in relation to the financial instrument (e.g. based on emerging indicators of changes in the credit risk of the financial instrument, the bank's credit risk management practice is expected to become more.
- (d) Active or focused on managing the instrument, including the instrument becoming more closely monitored or controlled, or the bank specifically intervening with the borrower.
- (e) Actual or expected adverse changes in business, financial or economic conditions significantly affecting borrower's ability to meet its debt obligations (e.g. increase in interest rates or unemployment rates); operating results of the borrower e.g. declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet its debt obligations; or regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

- (f) Significant decrease in the value of collateral or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to pay or otherwise effect the probability of default (e.g. if the value of collateral declines because house prices decline, borrowers in some jurisdictions have a greater incentive to default on their mortgages); or quality of a guarantee provided by a shareholder (or an individual's parents) if the shareholder (or parents) have an incentive and financial ability to prevent default by capital or cash infusion.
- (g) Expected changes in the loan documentation (e.g. breach of contract leading to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees).
- (h) Significant decrease in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group.

Loss allowances for ECL are presented in the statement of financial position as follows:

- (a) Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- (b) Loan commitments and financial guarantee contracts: generally, as a provision;
- (c) Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: The
- (d) Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- (e) Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value.

General approach to collective or individual assessment

The Bank's measurement of expected credit losses is based on the weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis although measurement on a collective basis is accepted by the Bank if more practical for large portfolios of items.

The assessment of whether there has been a significant increase in credit risk may be on a collective basis where the Bank is not able to identify significant changes in credit risk on individual financial instruments before the financial instrument becomes past due.

Collateral

The Bank obtains collateral where appropriate, from Staff to manage their credit risk exposure to the Bank staff. The collateral forms a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future customers in the event that the customer default



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

- (a) The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- (b) EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- (c) Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

3.25 Other liabilities

Other liabilities are stated at their nominal value/cost, which approximates fair value due to the short term nature of the obligation.

3.26 Items in course of settlement, Advance to the Government and Other assets

These are measured at carrying amounts which approximates their fair value due to the short period between reporting date and settlements of these assets.

3.27 Cash and Cash equivalent

Cash and cash equivalent comprise of demand and time deposit with central banks and commercial banks and holding of notes denominated in foreign currency. Cash and cash equivalent is carried at amortised cost in the statement of financial position. Due to their short-term nature, the carrying amount approximates the fair value.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Escrow Accounts

These represent funds held by the Bank in foreign exchange, as funds deposited by the United Republic of Tanzania following a memorandum of economic and financial policies arrangement pending agreement with creditors.

The escrow fund is both an asset and a liability in the Bank's books. However, the accounts cannot be netted against each other because they must be visible as both asset and liability according to accounting standards

Periodically the BoT Escrow balance is reviewed to ensure that sufficient funds will be available when payments are due.

Both assets and liabilities representing these funds are initially measured at fair value and subsequently measured at amortised cost where they have specific dates of maturity. Details of the accounts have been shown under Note 17 of the accounts.

3.28 Derivatives

A derivative is a financial instrument or other contract within the scope of IFRS with all three of the following characteristics:

- (a) Its value changes in response to the change in a specified variable such as interest rate, financial instrument price or foreign exchange rate.
- (b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- (c) It is settled at future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from market observable prices including recent market transactions, or valuation techniques which incorporate market observable input, such as discounted cash-flow models. Generally, the best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Bank uses derivatives mostly for hedging in risk management and liquidity support in monetary implementation. The Bank does not apply the optional hedge accounting rules of IFRS 9.

3.29 International Monetary Fund (IMF) related balances

Relationship

The Bank is the fiscal and depository agent of United Republic of Tanzania for transactions with the International Monetary Fund (IMF). Financial resources availed to Tanzania by the Fund are channelled through the Bank. Repayment of the IMF loans as well as charges is the responsibility of the Bank.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

Currency of Transactions with the IMF

Borrowings from and repayments to the IMF are denominated in Special Drawings Rights (SDRs). The SDR balances in IMF accounts are translated into TZS and any unrealised gains or losses are accounted for in profit and loss account in accordance with IAS 21 – Effects of changes in foreign exchange rates.

Quota in IMF, Interest and Charges

Borrowings from the related Tanzania's quota are non-interest bearing with no stated maturity, while borrowings from the General Resources Account of the IMF bears interest at rates set by the IMF on a weekly basis and are repayable according to the repayment schedules of the agreement.

3.30 Inventories

The Bank owns all inventories stated in the statement of financial position. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Writing down of values of inventories is made for slow moving and obsolete inventories.

3.31 Credit Guarantee Schemes

These are schemes operated in accordance with the rules governing them and administered by the Bank on behalf of the URT Government as stipulated in their respective agency agreements. The primary objective of the schemes is to facilitate access to the credit facilities by guaranteeing loans granted by the participating financial institutions to small and medium enterprises, exporters and development projects.

The rules of the schemes include a requirement for the financial institutions to properly assess the projects' viability, as to adequacy of loan security and approve the loan prior to applying for the guarantee. Because of the nature of the loan transactions, contingent liabilities exist in respect of possible default

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgment that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant use of judgement and estimates are as follows:

(a) Going concern

The Bank's Management has made an assessment of the Bank's ability to continue as a going concern. Management is satisfied that the Bank has resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

(b) Impairment of assets carried at amortised cost

Impairment losses on items in cash and balances with central banks, escrow account, items in course of settlement, holdings of Special Drawing Rights (SDR), quota in International Monetary Fund (IMF) government securities, advances to the Governments, loans and receivables and other assets.

The Bank reviews its financial assets measured at amortised cost at each reporting date to assess whether an impairment loss should be recognised in profit or loss. In particular, judgment by the Directors is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment.

The Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

(c) Impairment of other financial assets

Impairment exists when the carrying amount exceeds its recoverable amount and the asset is written down to the recoverable amount. Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(d) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates. Details have been provided under Note 42 to these accounts.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED) SIGNIFICANCE ACCOUNTING POLICIES (CONTINUED)

(e) Useful lives of property and equipment

Pursuant to the requirements of IAS 16 (Property, Plant and Equipment) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) the Bank makes accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits and reviews its depreciation rates at each reporting date.

(f) Retirement benefits

Under IAS 19 measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic, financial and future salary growth assumptions. A degree of judgement is required in establishing market yields, long term expectations, the notional contribution rate and other inputs used in the actuarial valuation. Details have been provided under Note 43 to these accounts.

(g) Contingent liabilities

The Bank has provided for the liabilities arising out of contractual obligations. Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgments than other types of provisions. When cases are at an early stage, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases. Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognised, and the estimated amounts of any such provisions, revising previous judgments and estimates as appropriate.



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5. INTEREST INCOME

Interest income from foreign operations relates to interest earned from investments in foreign fixed income securities, money market operations and foreign deposits. Interest on domestic investments relates to interest earned from investments in United Republic of Tanzania government bonds, stocks and discounted treasury bills

	30.06.2023			30.06.2022		
	Received TZS '000	Accrued TZS '000	Total TZS '000	Received TZS '000	Accrued TZS '000	Total TZS '000
From foreign operations						
GBP investments	1,874,589	2,033,603	3,908,192	9,516,198	1,065,553	10,581,751
USD investments	157,320,837	26,398,130	183,718,967	41,561,377	16,976,769	58,538,146
EUR investments	251,367	-	251,367	9,901	-	9,901
AUD investments	2,540,296	585,592	3,125,888	1,551,939	1,433,615	2,985,554
CNY investments	32,412,338	20,946,464	53,358,802	42,940,284	29,478,206	72,418,490
Other foreign interest income	4,896,425	1,057,930	5,954,355	3,053,002	189,178	3,242,180
	199,295,852	51,021,719	250,317,571	98,632,701	49,143,321	147,776,022
From domestic operations						
Interest on domestic investments	45,753,816	150,161,069	195,914,885	44,500,873	79,014,800	123,515,673
Interest on loans and advances	42,493,855	64,389,590	106,883,445	25,538,430	16,812,145	42,350,574
Interest on staff loans	360,763	-	360,763	349,891	-	349,891
Interest on Repurchase Agreements (Reverse REPO)	-	-	-	4,748,396	11,714	4,760,109
	88,608,434	214,550,659	303,159,093	75,137,590	95,838,658	170,976,249
	287,904,286	265,572,378	553,476,664	173,770,291	144,981,980	318,752,271



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Classification of interest income arising from financial instruments is indicated below:

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Income from instruments measured at fair value through OCI	151,715,139	101,125,294
Income from instruments measured at amortised cost	401,761,525	217,626,977
	<u>553,476,664</u>	<u>318,752,271</u>

6. INTEREST EXPENSES

	<u>30.06.2023</u>			<u>30.06.2022</u>		
	Paid	Accrued	Total	Paid	Accrued	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Interest on BoT liquidity papers	2,756,945	9,409,927	12,166,872	892,491	352,055	1,244,546
Interest on repurchase agreements	13,995,589	34,465	14,030,054	-	-	-
Charges on IMF Drawings	37,876,828	11,301,514	49,178,342	2,051,047	1,928,575	3,979,622
	<u>54,629,362</u>	<u>20,745,906</u>	<u>75,375,268</u>	<u>2,943,538</u>	<u>2,280,630</u>	<u>5,224,168</u>

The Bank issues 35-Day, 91-Day, 182-Day and 364-Day Treasury Bills to mop up excess liquidity in the economy. The interest expense arising from liquidity mop up activities is shared between the Bank and the Government of the United Republic of Tanzania in accordance with the sharing ratios agreed in Memorandum of Understanding (MOU) in force.

7. FOREIGN EXCHANGE REVALUATION GAINS / (LOSS)

During the year, the Bank recorded a total net foreign exchange revaluation loss amounting to TZS 209,420.5 million (2022: gain of TZS 54,433.7 million). This amount has been included in the statement of profit or loss in determining the Bank's net operating profit for the year to comply with the requirements of IAS 21 - Accounting for the Effects of Changes in Foreign Exchange Rates. Out of the total net foreign exchange revaluation loss, an amount of TZS 173,582.5 million (2022: gain of TZS 90,857.8 million) relating to unrealised loss is not available for the distribution of dividend and according to the Bank of Tanzania Act, 2006 has been transferred to the foreign exchange revaluation reserve (refer to Note 40 (i)).

Analysis of foreign exchange valuation	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Net realised foreign exchange revaluation loss during the year	(35,838,005)	(36,424,063)
Net unrealised foreign exchange revaluation (loss)gains during the year	<u>(173,582,461)</u>	<u>90,857,809</u>
	<u>(209,420,466)</u>	<u>54,433,746</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

8. FEES AND COMMISSIONS

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Commission on foreign operations	88,026,636	70,615,982
Tanzania Interbank Settlement System (TISS) fees and charges	5,818,733	4,959,936
Bureau de change application fees	68,000	69,300
Bureau de change registration fees	8,000	9,050
Bureau de change penalty fees	392,921	337,667
Banks and financial institutions applications/licensing fees	621,688	599,150
Clearing House fines and penalties and other fees	150	-
	<u>94,936,128</u>	<u>76,591,085</u>

Commission on foreign operations relates to income received from buying or selling foreign currency, and funds transfers by SWIFT and TISS.

9. OTHER OPERATING INCOME

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Foreign operations		
Miscellaneous income	888,800	16,373,134
Coupon from FVTPL investments	11,760,046	8,477,223
Dividend from equity investment	3,170,153	1,003,966
	<u>15,818,999</u>	<u>25,854,323</u>
Other income from foreign operations		
Domestic operations		
Miscellaneous income**	8,151,405	6,661,372
Income - domestic operations	10,053,489	461,517
Income from Staff Housing Funds *	7,000,262	5,466,783
Rental income from staff quarters	817,572	824,510
Income from hostel accommodation	212,372	179,377
Gain on provision of ECL on Financial instruments-(Note 16 and 24)	912,065	275,148
Income from cafeteria operations	50,928	54,214
	<u>27,198,093</u>	<u>13,922,921</u>
Other income from domestic operations		
Total other income	<u>43,017,092</u>	<u>39,777,244</u>

*Income from investments and loans on Staff Housing Funds

** Miscellaneous Income includes income on Financial Sector Development Fund investment TZS 4,885.8 million



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

10. NET FAIR VALUE GAINS/ (LOSSES) ON FOREIGN CURRENCY MARKETABLE SECURITIES

	<u>30.06.2023</u>			<u>30.06.2022</u>		
	<u>Realised</u> <u>TZS '000</u>	<u>Unrealised</u> <u>TZS '000</u>	<u>Total</u> <u>TZS '000</u>	<u>Realised</u> <u>TZS '000</u>	<u>Unrealised</u> <u>TZS '000</u>	<u>Total</u> <u>TZS '000</u>
USD	(7,221,055)	1,118,308	(6,102,747)	6,083,060	(30,147,777)	(24,064,717)
GBP	537,091	-	537,091	(9,935,549)	-	(9,935,549)
AUD	(620,268)	-	(620,268)	18,406,681	-	18,406,681
CNY	223,242	-	223,242	5,429,561	-	5,429,561
Total	<u>(7,080,990)</u>	<u>1,118,308</u>	<u>(5,962,682)</u>	<u>19,983,753</u>	<u>(30,147,777)</u>	<u>(10,164,024)</u>

The net realised gain or losses on foreign currency marketable securities represents the net (decrease) /increase in the fair value of these foreign securities. The value of this balance aggregated to a loss of TZS 5,962.6 million (2022: TZS 10,164.0 million). During the year the Bank reclassified realised loss of TZS 4,356.9 million for the securities measured at FVOCI from security revaluation reserve to profit or loss account as required by IAS 1 and IFRS 9.

11. ADMINISTRATIVE EXPENSES

	<u>30.06.2023</u> <u>TZS '000</u>	<u>30.06.2022</u> <u>TZS '000</u>
Maintenance - computer, software and related expenses	18,322,869	18,124,904
Transport and travelling related expenses	23,149,644	15,195,734
Meetings, conferences and seminars	8,787,182	4,757,288
Water and electricity	5,729,334	5,798,259
Maintenance - bank premises	11,580,854	8,871,527
Insurance expenses	5,538,502	5,505,009
Fees, rates and security expenses	3,194,981	2,976,989
Printing, stationery and office supplies	1,070,541	782,190
Telecommunication and postage	1,592,958	1,549,411
Board expenses	1,721,257	1,322,949
Other administrative expenses	8,794,285	4,987,635
Skills development levy	2,936,154	2,940,016
Maintenance - furniture, machinery and equipment	2,050,278	1,800,768
Audit fees	688,797	688,797
Budget and annual accounts related expenses	1,619,589	1,027,861
Hospitality	469,423	260,492
Audit related expenses	331,191	247,267
Legal and investigation expenses	168,427	589,630
	<u>97,746,266</u>	<u>77,426,726</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

12. CURRENCY AND RELATED EXPENSES

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Notes printing and related expenses (Note 26)	42,915,310	46,807,677
Coins minting and related expenses (Note 26)	<u>3,718,902</u>	<u>4,155,886</u>
Cost of currency issued into circulation	<u>46,634,212</u>	<u>50,963,563</u>
Maintenance of currency machines	6,804,913	3,882,123
Currency transport, storage and handling	8,432,944	8,961,365
Other currency expenses	<u>1,281,328</u>	<u>740,965</u>
Other currency related costs	<u>16,519,185</u>	<u>13,584,453</u>
Total currency and related expenses	<u>63,153,397</u>	<u>64,548,016</u>

The amount of TZS 46,634.2 million (2022: TZS 50,963.6 million) pertains to notes printing and coins minting and related expenses. This amount refers to the proportionately amortised portion of deferred notes printing and coins minting cost for the new currency notes and coins that were issued into circulation during the year.

A total of TZS 6,804.9 million (2022: TZS 3,882.1 million) was incurred during the year in respect of currency processing machines maintenance expenses. The amount of TZS 8,412.2 million (2022: TZS 8,961.4 million) relates to currency distribution expenses which include; transportation, handling, storage, and other related expenses incurred during the year. Other currency related expenses aggregated to TZS 1,281.1 million (2022: TZS 740.9 million).

13. PERSONNEL EXPENSES

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Staff salaries and related expenses	75,357,224	75,875,522
Contribution to social security schemes	9,348,121	9,404,907
Staff medical expenses	9,476,863	7,629,574
Management car maintenance and other related expenses	5,999,194	5,961,349
Travel on leave expenses	5,495,700	2,438,085
Staff retirement benefit	5,700,023	8,333,999
Staff training expenses	5,104,964	3,816,861
HR planning policies expenses	2,752,375	1,993,331
Furniture grant expenses	1,921,117	497,020
Cafeteria expenses	2,501,781	2,048,576
Workers Council expenses	1,723,051	1,193,412
Tanzania Union for Industrial and Commercial (TUICO) expenses	1,301,350	1,061,492
Motor vehicles expenses	509,523	604,274
Contributions to Workers Compensation Fund	363,755	363,873
Condolence and related expenses	358,986	325,564
Staff uniforms expenses	368,880	147,649
Course functions and field trips expenses	<u>25,808</u>	<u>8,541</u>
	<u>128,308,715</u>	<u>121,704,029</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

14. OTHER OPERATING EXPENSES

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Foreign operations		
Foreign reserve management expenses	13,334,762	6,677,143
Financial markets development expenses	1,619,814	1,632,069
Commission and fees on foreign operations	3,033,887	1,389,735
	<u>17,988,463</u>	<u>9,698,947</u>
Domestic operations		
Contribution to professional associations, charities	2,810,471	2,510,045
Miscellaneous expenses	3,350,397	226,428,812
Contribution to national development programs/projects	207,057	645,577
Subscriptions	201,832	164,373
	<u>6,569,757</u>	<u>229,748,807</u>
Cheques issued expenses	63,927	65,900
	<u>24,622,147</u>	<u>239,513,654</u>

Analysis of donations, contributions and subscriptions

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	981,747	905,775
Donations and other contributions	404,288	249,136
Subscription to various entities	201,832	164,373
Capital Markets and Securities Authority	708,750	708,750
Contribution to African Research Consortium	-	229,773
Contribution to Research Development	160,996	119,910
Deposit Insurance Board	322,419	292,369
African Association of Central Banks and African Rural and Agriculture Credit Association	53,268	14,015
Contribution - Committee of Central Bank Governors (CCBG)	46,060	45,894
Tanzania Institute of Bankers	340,000	340,000
Promotion of Tanzania Economy Abroad and Other Foreign Institutions	-	250,000
	<u>3,219,360</u>	<u>3,319,995</u>

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME/(LOSS)

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Gain(Loss) on re- measurement of Defined Benefit Scheme	4,550,048	(8,469,745)
Net revaluation gains on equity investments	3,386,961	16,563,771
Net unrealised gains on marketable securities-FVOCI	(64,754,547)	(238,188,226)
Total other comprehensive loss	<u>(56,817,538)</u>	<u>(230,094,200)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Included in other comprehensive loss is TZS 64,754.5 million which represents changes in the prices of the marketable securities portfolio classified to fair value through other comprehensive income (2022: TZS 238,188.2 million). The gain of TZS 3,386.9 million (2022: TZS 16,563.8 million) is in respect of revaluation on the Bank's shares in Afrexim bank and SWIFT measured at FVTOCI. The computation of actuarial gain/loss is reported under Note 43.

16. CASH AND BALANCES WITH CENTRAL BANKS AND OTHER BANKS

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Demand, time deposits with commercial banks	4,893,109,479	3,360,835,818
Cash balances with Central Banks	919,585,192	1,049,695,430
Foreign Currency notes and coins	4,561,675	58,942,157
Accrued interest on deposits	7,537,856	1,684,202
Provision for Expected Credit Losses	(130,584)	(44,935)
	<u>5,824,663,618</u>	<u>4,471,112,672</u>

Movement of Provision for ECL

Opening balance as at 1 July	44,935	70,980
Charged during the year	85,649	(26,045)
Closing balance	130,584	44,935

Cash and cash equivalents consist of demand deposits; two-day notice accounts and time deposits with maturities of less than three months and carrying interest at market rates. For the purpose of recording cash flows in the Statement of Cash Flow, the Provision for Expected Credit Losses on cash and cash equivalents has been added back as it is not a cash flow.

17. ESCROW ACCOUNTS

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Bank of Tanzania Escrow	-	11,278,779

This account was opened under the memorandum of economic and financial policies arrangement of the United Republic of Tanzania (URT) Government. The agreement was to establish an external escrow account into which the URT Government would pay a significant portion of the estimated debt service due to the relevant group of non-Paris creditors. During the year 2022/23 the account was closed and the remained balance were transferred to the United Republic of Tanzania (URT) accounts.

18. ITEMS IN COURSE OF SETTLEMENT

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
BoT net clearing account	(371,954,252)	(3,837,283)



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

This balance represents the values of outward and inward clearing instruments, held by the Bank while awaiting clearance in the normal course of business. This includes values of clearing instruments, both as inward and outward items and cheques deposited into Government accounts for settlement of various obligations in accordance with the rules and regulations as set in the clearing house.

19. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	<u>30.06.2023</u>		<u>30.06.2022</u>	
	<u>SDR '000</u>	<u>Equivalent TZS '000</u>	<u>SDR '000</u>	<u>Equivalent TZS '000</u>
Assets				
Holdings of SDR's	4,296	13,304,742	6,859	20,988,559
Accrued interest on Holding of SDR	27	84,911	8	23,135
Accrued interest on SDR Tranches	314	973,019	54	166,043
Quota in IMF	397,800	1,231,998,513	397,800	1,217,187,495
	402,438	1,246,361,185	404,721	1,238,365,232
Liabilities				
IMF Account No.1	338,071	1,047,017,414	338,071	1,034,430,230
IMF Account No.2	3	10,826	3	10,694
	338,074	1,047,028,240	338,074	1,034,440,924
Allocation of SDRs	571,785	1,770,834,718	571,785	1,749,545,841
Accrued interest on allocation of SDR	3,649	11,301,514	630	1,928,575

The Tanzania's quota in IMF stood at SDR 397.8 million equivalent to TZS 1,231,998.5 million (2022: SDR 397.8 million equivalent to TZS 1,217,187.5 million). On a quarterly basis, the IMF pays interest (remuneration) to those members who have a remunerated reserve tranche position at the adjusted rate of remuneration. As at 30 June 2023, the reserve tranche stood at SDR 59.7 million (2022: SDR 59.7 million) whereas the adjusted rate of remuneration was 3.98 percent (2022: 0.89 percent) and adjusted rate charged was 4.98 percent (2022: 1.89 percent).

During the year, IMF disbursed SDR 228.73 million as Extended Credit Facility (ECF). As at 30 June 2023 outstanding Rapid Credit Facility (RCF) was SDR 397.80 million and ECF was SDR 228.73 million. The facilities were issued to the United Republic of Tanzania as direct budget support. While the disbursements supported the Bank in addressing the balance of payment needs, the repayment liability is with the United Republic of Tanzania as the fund beneficiary. The Bank discloses and keeps the loans records off the balance sheet in recognition of its role as a fiscal agent of the Government.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

20. FOREIGN CURRENCY MARKETABLE SECURITIES

These are financial assets consisting of foreign currency marketable securities that are internally managed, and a portfolio externally managed by the World Bank Treasury under a special program known as Reserve Advisory Management Program (RAMP). The majority of such securities are sovereign issues with a minimum credit rating of AA, bearing fixed interest and specified maturities. The balance of this reserve was as follows:

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Internally Managed Portfolio in Foreign Currency Marketable Securities-FVOCI	6,285,235,164	6,879,338,148
Marketable securities- FVTPL	681,177,964	678,434,082
Accrued coupon on marketable securities	42,425,993	49,128,243
Accrued interest- RAMP	3,107,246	-
	<u>7,011,946,367</u>	<u>7,606,900,473</u>

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities by fair values:

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Sovereign Issues		
USD	3,960,450,152	3,602,795,029
GBP	325,138,753	10,931,705
AUD	148,585,252	194,033,920
CNY	1,331,442,773	730,903,782
	<u>5,765,616,930</u>	<u>4,538,664,436</u>
Supranational Securities		
USD	1,005,828,940	1,463,838,134
GBP	10,600,156	-
CNY	38,883,593	-
	<u>1,055,312,689</u>	<u>1,463,838,134</u>
Agency Securities		
USD	73,252,601	74,294,250
GBP	-	296,816,469
CNY	-	1,214,744,438
AUD	5,151,621	5,341,573
	<u>78,404,222</u>	<u>1,591,196,730</u>
Corporate Securities		
USD	112,612,526	13,201,173
	<u>112,612,526</u>	<u>13,201,173</u>
Total Investments		
USD	5,152,144,219	5,154,128,586
GBP	335,738,909	307,748,174
AUD	153,736,874	199,375,493
CNY	1,370,326,365	1,945,648,220
	<u>7,011,946,367</u>	<u>7,606,900,473</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

21. EQUITY INVESTMENTS

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Investment in equity are measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Equity investment in Afreximbank	117,027,730	110,640,285
Equity investment in SWIFT	<u>1,202,394</u>	<u>1,080,743</u>
	<u>118,230,124</u>	<u>111,721,028</u>

Equity investment in Afreximbank

The African Export-Import Bank (Afreximbank) is a supranational institution, established on 27 October 1993. The Bank holds an investment in the equity of Afreximbank. Afreximbank is a grouping of regional central banks and financial institutions designed to facilitate intra and extra African trade. During the year, the Bank's acquired 73 shares from Afreximbank hence as at 30 June 2023, the equity investment in Afreximbank was 2148 ordinary shares (2022:2075) of par value of USD 10,000 each. As at 30 June 2023, the Bank's equity aggregated to USD 8,592,000 representing two fifth of the Bank's paid up shares in Afreximbank (2022: USD 8,300,000). The proportion of the Bank's equity interest to the total holding in this bank is 1.0980 percent. These shares are measured at FVTOCI.

Equity Investment in SWIFT

The Society for Worldwide Interbank Financial Telecommunications (SWIFT) (the "Company") is a company founded in Brussels in 1973 to provide a secured network that enables financial institutions worldwide to send and receive information related to financial transactions in a secure, standardised and reliable environment.

SWIFT members hold an interest in the cooperatives through shares. The Company manages the shares through the reallocation principle defined in its By-laws and general membership rules.

The number of shares allocated to each member is determined at least after every three years according to the Bylaws of the Company and is proportional to the annual contributions paid for the network-based services to the Company. The members have the obligation to give up or take up the resulting change in shares. The By-laws of the Company state that shares are only reimbursed when a member resigns, or when a member has to give up shares following reallocation. This investment is measured at fair value through other comprehensive income. During the year, under review the Bank had a total of 61 shares (2022: 61).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

22. GOVERNMENT SECURITIES

Amortised cost:	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Treasury Bills	939,124	-
Special Treasury Bonds	1,729,475,461	2,199,101,565
Treasury EPA Stock	201,391,122	201,391,122
Sub-total	<u>1,931,805,707</u>	<u>2,400,492,687</u>
Accrued interest	150,161,069	79,014,800
Total	<u>2,081,966,776</u>	<u>2,479,507,487</u>

The Bank holds various Government fixed income securities issued by the United Republic of Tanzania Government. Treasury special stocks and bonds are issued at face value, discount or premium. Treasury stocks are issued at a fixed coupon.

(a) Special Treasury Bonds

Treasury Special Bonds are long-term instruments issued at fixed coupon for Government financing. Interest on the bonds is payable semi-annually based on the agreed coupon rate. The balance includes:

Matured stock that was converted into a 5.75% 6-Year Special Bond 2019/2025 with face value of TZS 51,333.3 million and the 10 Year Special Government Bond 2009/19 that matured on 2 July 2019 which was rolled over into 6% 7 Year Special bond 2019/2026 with a face value of TZS 50,000.0 million. The carrying amount of these bonds stood at TZS 35,992.9 million and TZS 33,824.7 million respectively on 30 June 2023.

A 10 Year 8% Special Bond 2009/19 with a face value of TZS 323,000.0 million was issued on 2 June 2009. Upon its maturity, the bond was rolled over and divided into three maturities including;

- (i) 5 Years Special Bond 2019/24 at coupon of 5.5% with face value of TZS 100,000.0 million whereas at 30 June 2023 the fair value stood at TZS 73,158.5 million;
- (ii) 6 Years Special Bond 2019/25 at coupon of 5.75% with face value of TZS 100,000.0 million and fair value of TZS 70,116.1 million as at 30 June 2023 and;
- (iv) 7 Years Special Bond 2019/26 at coupon of 6.0% with face value of TZS 123,000.0 million whereas at 30 June 2023 the fair value stood at TZS 83,208.8 million.

The initial purpose of the bonds was to bridge Government revenue shortfall mainly attributed to the impact of the global financial crisis.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

On 12 October 2012, the Government issued a 10-Year 2012/2022 Special Bond with face value of TZS 469,484.4 million and a coupon of 11.44%. The bond was issued to replace the accumulated deficit position of the United Republic of Tanzania Government and matured on 12 October 2022.

In February, March and April 2022, the Revolutionary Government of Zanzibar issued 6.0% 20-Years Special Bond 2022/2042 in three tranches of TZS 40,000 million each whereby, the fair value for Tranches 1 & 2 was TZS 21,988.5 million each and TZS 22,705.5 million for Tranche 3 as at 30 June 2023.

In June 2022, the Government of the United Republic of Tanzania issued six special bonds with face value of TZS 250,000 million each;

- (i) 4.00% 2 Year Special Bond 2022/2024 No. 04, 05 and 06 with fair value of TZS 233,343.2 million, TZS 233,355.2 million and TZS 233,375.3 million respectively;
- (ii) 4.25% 3 Year Special Bond 2022/2025 No. 07 and 08 with fair value of TZS 224,908.3 million and TZS 224,912.4 million respectively, and;
- (iii) 4.50% 4 Year Special Bond 2022/2026 No. 09 with fair value of TZS 216,617.9 million.

The value of Special Bonds as at 30 June 2023 was TZS 1,729,475.5 million (2022: TZS 2,199,101.6 million).

(b) Treasury EPA Stock

Treasury EPA Stocks represent External Payment Arrears (EPA) that date back to 1980's when the defunct National Bank of Commerce (NBC) had external commercial obligations that were in arrears for lack of foreign exchange. These were later on transferred to the Bank to facilitate their administration and control. According to the arrangement, the externalisation of EPA obligations was done based on agreed exchange rates. The exchange rate differential between the exchange rate prevailing when the beneficiaries are paid and the agreed rate resulted into exchange losses, which are recoverable from the Government. Funding of the resulting obligations was obtained through issuance of EPA stocks.

The Government effective from 01 August 2008 reissued two EPA Special Stocks namely EPA Special Stock 2002/2052 and EPA Special Stock 2005/2055 with values of TZS 4,352.8 million and TZS 65,646.1 million and replaced them with EPA Special Stock 2008/18 and EPA Special Stock 2008/23 respectively. Their tenures were reviewed from 50 years and 55 years to 10 years and 15 years with annual coupons of 7.5 percent and 8.0 percent payable semi-annually respectively. The EPA special Stock 2008/18 valued at TZS 4,352.8 million matured and was repaid.

Furthermore, on 1 August 2008 the Government issued EPA Special Stock with face value of TZS 135,745.1 million to accommodate external payment arrears exchange losses incurred up to 31 December 2007. The stock has a maturity of 20 years with annual coupon of 8.5 percent payable semi-annually. As at 30 June 2023, the aggregate position of Special EPA stocks stood at TZS 201,391.1 million (2022: TZS 201,391.1 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

23. ADVANCES TO THE GOVERNMENT

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Advances to the Governments (URT)- Note 33	4,226,423,511	2,127,015,634
Accrued interest (URT)	64,199,023	13,716,834
Advance/ (deposit) to the Governments (RGOZ)-Note 33	93,625,857	(121,791,724)
Accrued interest (RGOZ)	190,567	3,095,310
Net advance to the Governments	<u>4,384,438,958</u>	<u>2,022,036,054</u>

Advances to the Governments represent temporary financial accommodation to finance short term financial gap between the receipts from budgeted revenue and Governments expenditure. The interest chargeable for advances granted to the Governments is three percent per annum. Total advance outstanding at the year-end amounted to TZS 4,384,438.9 million (2022: TZS 2,022,036 million) as summarised under Note 32.

During the year, the Governments net position was overdrawn by TZS 4,320,049.4 million (2022: TZS 2,005,223.9 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, during the year an amount of TZS 106,687.2 million (2022: TZS 41,643.01 million) was charged to the Governments as interest on overdrawn position. The interest repayment during the year amounted to TZS 42,493.9 million thus as at 30 June 2023 interest outstanding amounted to TZS 64,389.6 million (2022: TZS 16,812.2 million).

24. LOANS AND RECEIVABLES

	<u>30.06.2023</u> TZS "000"	<u>30.06.2022</u> TZS "000"
Accounts receivable	238,783,551	358,552,469
Staff loans and advances	79,336,043	76,695,610
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
	<u>323,266,594</u>	<u>440,392,079</u>
Provision for impairment	(8,989,395)	(9,987,110)
Net carrying amount loan and receivable	<u>314,277,199</u>	<u>430,404,969</u>
Analysis of impairment by line items	<u>30.06.2023</u> TZS "000"	<u>30.06.2022</u> TZS "000"
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Staff loans, advances and receivables	3,845,395	4,843,110
Movement of provision for impairment	<u>8,989,395</u>	<u>9,987,110</u>
Opening balance 1 July	9,987,110	10,269,307
Charged during the year in (P&L)	(997,715)	(282,197)
Closing balance	8,989,395	9,987,110



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

The Bank did not pledge any loans and receivables as securities against liabilities in 2023 and 2022. Accounts receivable represent short term claims which are expected to be recovered within a period not exceeding twelve months and outstanding transactions made on trade date.

a) Accounts Receivable:

Major components under accounts receivable include the following:

(i) Interest receivable on Liquidity Management:

Included under accounts receivable is TZS 8,547.8 million (2022: TZS 310.8 million) relating to 2022/23 URT Government share in respect of interest on liquidity management costs. The URT Government and Bank of Tanzania share liquidity management cost based on the formula contained in the Memorandum of Understanding between the Bank and the Government.

(ii) Advances to commercial banks:

The Bank disbursed advances of TZS 175,259.8 million to commercial banks in order to reduce lending rate as part of implementation of monetary policy intending to increase lending to private sector.

b) Staff Loans and Advances:

Employees of the Bank are entitled to loans and advances as approved in accordance with the Bank's Staff Bylaws and Financial Regulations in force. Staff loans are granted to employees to assist them in acquisition of residential houses, motor vehicles, computers, furniture and short-term needs. The advances/loans are granted at rates of interest determined by the Bank presently at 5.0 percent fixed over the period of the loan. These loans and advances are recovered from the employees' monthly salaries. The facilities are secured against the borrowers' employment and terminal benefits. As at 30 June 2023, the balance of staff loans and advances was TZS 79,339.0 million (2022: TZS 76,695.7 million).

25. INVENTORIES

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
The inventory balance consists of the following:		
Currency machine spare parts	4,895,067	4,776,588
Building, machinery and maintenance consumables	1,069,139	927,636
Stationery	542,660	477,135
ICT accessories and consumables	845,859	706,408
Cheque books	329,160	351,281
Copier parts and consumables	405,617	396,168
Drugs and medicines	87,427	27,836
Inventory in Transit	34,819	55
Less: Inventory impairment	(1,816,391)	(980,969)
	<u>6,393,357</u>	<u>6,682,138</u>

All inventories held by the Bank as at 30 June 2023 were for the internal consumption to support Bank's operations and not intended for sale.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

26. DEFERRED CURRENCY COST

This account represents direct cost relating to notes printing and coins minting held by the Bank. During financial year 2022/23, the movement on deferred currency cost account was as follows:

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Balance as at the beginning of the year	92,991,489	52,103,739
Add: Cost of currency received during the year	39,341,401	91,851,313
Less: Cost of currency issued in circulation (Note 12)	<u>(46,634,212)</u>	<u>(50,963,563)</u>
Balance as at the end of the year	<u>85,698,678</u>	<u>92,991,489</u>

27. OTHER ASSETS

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Reverse REPO	-	11,714
Financial Sector Development Fund	50,690,730	45,804,944
Prepayments	65,418,717	21,948,675
Staff Housing Fund investments	56,262,906	46,071,244
Sundry receivables*	180,306,200	16,413,982
Staff imprest	533,399	525,383
Petty cash balances	147,000	148,000
	<u>353,358,952</u>	<u>130,923,942</u>

(i) Prepayment:

The balance under prepayment for the year ended 30 June 2023 mainly covers; TZS 4,800.5 million paid as advance payment in respect of supply of bullion trucks and escort cars and TZS 53,803.2 million in respect of purchases of Gold. As at 30 June 2023 the balance of prepayment was TZS 65,418.7 million (2022: TZS 21,948.7 million)

(ii) Sundry receivable:

The balance under sundry receivable for the year ended 30 June 2023 mainly includes; SWAP agreement pending settlement TZS 117,002.5 million. As at 30 June 2023 the balance of sundry receivable was TZS 180,306.2 million (2022: TZS 16,413.9 million).

(ii) Staff housing fund:

The balance represents staff housing fund investments in government securities including treasury bills and treasury bonds. The operation of the fund is as explained under Note 40 (e).

(iii) Financial Sector Development Fund:

The balance represents the Financial Sector Development fund's investments in government securities. The operation of the fund is as explained under Note 40 (f).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

28. PROPERTY AND EQUIPMENT

Year ended 30 June 2023	Buildings TZS '000	Lease TZS '000	Machinery and equipment TZS '000	Motor vehicles TZS '000	Fixtures and fittings TZS '000	Computers, servers and printer TZS '000	Capital work in progress TZS '000	Total TZS '000
Cost/valuation								
At 01 July 2022	959,419,765	5,065,733	323,728,56	31,309,941	11,583,106	46,812,536	13,053,104	1,390,972,748
Additions	563,676	204,654	5,870,930	1,195,955	458,807	1,950,640	5,851,781	16,096,443
Reclassification			(2,380,914)		(7,393,852)		(6,534,821)	(9,774,766)
Transfers**	4,503,210	-	-	-	-	(34,686)		(2,031,611)
Disposal								(34,686)
At 30 June 2023	964,486,651	5,270,387	327,218,579	32,505,896	4,648,061	48,728,490	12,370,064	1,395,228,128
Accumulated depreciation and impairment								
At 01 July 2022	45,979,937	1,727,448	260,093,949	20,969,733	9,526,300	29,470,62	15,000	367,782,979
Depreciation charges for the year	8,038,814	579,868	9,893,87	1,363,031	295,134	4,589,53	-	24,760,24
Reclassification	-	-	1,938,549	-	(6,292,812)	-	-	(8,231,361)
Disposal	-	-	-	-	-	(16,086)	-	(16,086)
At 30 June 2023	54,018,751	2,307,316	268,049,271	22,332,764	3,528,622	34,044,056	15,000	384,295,780
Net book value								
At 30 June 2023	910,467,900	2,963,071	59,169,308	10,173,132	1,119,439	14,684,434	12,355,064	1,010,932,38

* Includes fixed assets reclassified to statement of profit or loss and other comprehensive income in compliance with the Bank's fixed assets guideline.

** Included in transfers is the cost of internal generated software transferred to intangible assets TZS 2,031 million. There were neither amounts nor restrictions on title of property and equipment held by the Bank as at 30 June 2023.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

28. PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 30 June 2022	Buildings TZS '000	Lease TZS '000	Machinery and equipment TZS '000	Motor vehicles TZS '000	Fixtures and fittings TZS '000	Computers, servers and printer TZS '000	Capital work in progress TZS '000	Total TZS '000
Cost/valuation								
At 01 July 2021	958,393,185	5,065,733	280,209,955	31,183,022	11,349,850	40,495,644	8,568,774	1,335,266,163
Additions	1,026,580	-	43,632,773	241,768	285,384	6,408,888	4,484,330	56,076,722
Disposal	-	-	(114,165)	(114,849)	(52,128)	(91,996)	-	(373,138)
At 30 June 2022	959,419,765	5,065,733	323,728,563	31,309,941	11,583,106	46,812,536	13,053,104	1,390,972,748
Accumulated depreciation and impairment								
At 01 July 2021	37,957,985	1,152,126	247,073,031	19,161,504	9,105,548	25,143,592	15,000	339,608,786
Depreciation charges for the year	8,021,952	575,322	9,412,162	1,788,679	468,018	4,400,614	-	24,666,747
Reclassification	-	-	3,713,620	111,430	-	-	-	3,825,050
Disposal	-	-	(104,864)	(91,879)	(47,267)	(73,593)	-	(317,603)
At 30 June 2022	45,979,937	1,727,448	260,093,949	20,969,734	9,526,299	29,470,613	15,000	367,782,980
Net book value								
At 30 June 2022	913,439,828	3,338,285	63,634,614	10,340,208	2,056,777	17,341,923	13,038,105	1,023,189,768



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

28. PROPERTY AND EQUIPMENT (CONTINUED)

Reconciliation of items disposed during the period by class of assets.

Gain or (loss) on disposal of property and equipment					30.06.2023	30.06.2022
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Cost of disposal</u>	<u>Cash proceeds</u>	<u>Net gains/(loss)</u>	<u>Net gains/(loss)</u>
Class of asset	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>
Machinery & equipment	-	-	-	-	-	(7,869)
Motor vehicles	-	-	-	-	-	(22,970)
Fixtures & fittings	-	-	-	-	-	162
Computers, servers & printers	34,686	16,086	-	18,603	3	(17,876)
	<u>34,686</u>	<u>16,086</u>	<u>-</u>	<u>18,603</u>	<u>3</u>	<u>(48,553)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

29. INTANGIBLE ASSETS

	Computer software	Computer software - WIP	Total
2023	TZS '000	TZS '000	TZS '000
Cost			
At 1 July 2022	33,153,331	-	33,153,331
Additions*	2,537,004	5,625,018	8,162,022
Transfer/ Adjustments**	1,696,358	-	1,696,358
At 30 June 2023	37,386,693	5,625,018	43,011,711
Accumulated amortisation			
At 1 July 2022	30,091,685	-	30,091,685
Charge for the year	1,679,732	-	1,679,732
Transfers	(334,955)	-	(334,955)
At 30 June 2023	31,436,362	-	31,436,362
Net book value			
At 30 June 2023	5,950,331	5,625,018	11,575,349
	Computer software	Computer software - WIP	Total
2022	TZS '000	TZS '000	TZS '000
Cost			
At 1 July 2021	32,846,966	-	32,846,966
Additions	306,365	-	306,365
At 30 June 2022	33,153,331	-	33,153,331
Accumulated amortisation			
At 1 July 2021	28,046,584	-	28,046,584
Charge for the year	2,045,101	-	2,045,101
At 30 June 2022	30,091,685	-	30,091,685
Net book value			
At 30 June 2022	3,061,646	-	3,061,646

* Additions includes cost of internal generated software TZS 8,086.7 million

** Includes in transfers is TZS 2,031.6 million relating to internal generated software from work in progress



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

30. CURRENCY IN CIRCULATION

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Notes		
Notes issued	13,612,633,859	13,327,902,109
Provision for Cash Loss	1,996,960	1,996,960
Less: Notes in Custody	<u>(6,577,853,149)</u>	<u>(6,859,816,451)</u>
Notes in Circulation	<u>7,036,777,670</u>	<u>6,470,082,618</u>
Coins		
Coins issued	179,392,178	167,370,657
Less: Coins in Custody	<u>(24,159,020)</u>	<u>(18,607,309)</u>
Coins in Circulation	<u>155,233,158</u>	<u>148,763,348</u>
Total currency in circulation	<u>7,192,010,828</u>	<u>6,618,845,966</u>

Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vaults, safe custody centres and cashier/teller at the end of financial year have been deducted from notes and coins issued to reflect actual liability for notes and coins in circulation.

The notes and coins in circulation figure of TZS 7,192,010.8 million (2022: TZS 6,618,846 million) includes banknotes that were phased out in 2003 with the face value of TZS 99,386.9 million (2022: TZS 99,386.9 million) still in circulation.

31. DEPOSITS – BANKS AND NON-BANK FINANCIAL INSTITUTIONS

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Deposits - commercial bank deposits		
Domestic banks local currency deposits	3,533,668,119	2,849,746,581
Domestic banks foreign currency deposits	684,265,512	724,035,453
Sub total	<u>4,217,933,631</u>	<u>3,573,782,034</u>
Deposits – Non-bank financial institutions		
Clearing	123,108,550	77,888,314
Sub total	<u>123,108,550</u>	<u>77,888,314</u>
Total deposits	<u>4,341,042,181</u>	<u>3,651,670,348</u>

Domestic deposits include, general purpose deposits, clearing balances and Statutory Minimum Reserve (SMR). SMR deposits are based on a ratio determined by the Bank to the total deposits of the banks and non-bank financial institution for monetary policy purposes. Banks and non-bank financial institutions are required to hold at the Bank of Tanzania a prescribed percentage of their total deposits as prescribed in circular No.1 issued on 2nd December 2016 in accordance with Section 44 of the Bank of Tanzania Act, 2006 and Sections 4 and 71 of the Banking and Financial Institutions Act, 2006.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

32. DEPOSITS – GOVERNMENTS

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Voted accounts		
URT Government	(7,297,831,458)	(5,273,147,033)
RGOZ Government	669,898	645,403
Sub Total	<u>(7,297,161,560)</u>	<u>(5,272,501,630)</u>
Un-voted accounts		
URT Government	3,071,407,947	3,146,131,400
RGOZ Government	(94,295,755)	121,146,321
Sub total	<u>2,771,112,192</u>	<u>3,267,277,721</u>
Total (Advance)/ Deposit URT Government	<u>(4,226,423,511)</u>	<u>(2,127,015,633)</u>
Total (Advance) / Deposit RGOZ Government	<u>(93,625,857)</u>	<u>121,791,724</u>
Net (Advance) / Deposit Governments	<u>(4,320,049,368)</u>	<u>(2,005,223,909)</u>
Accrued interest income on Advance to Government URT	64,199,023	13,716,834
Accrued interest income on Advance to Government RGOZ	190,567	3,095,310
Total Accrued interest on Advance to the Government	<u>64,389,590</u>	<u>16,812,145</u>

As at 30 June 2023 the position of the Government of the United Republic of Tanzania (URT) accounts were overdrawn by TZS 4,320,049.4 million (2022: TZS 2,005,223.9 million). Pursuant to the provision of Section 34 of the Bank of Tanzania Act 2006, a total of TZS 106,687.2 million (2022: TZS 41,643.01 million) was charged during the year ended 30 June 2023 as interest on overdrawn position. Government deposit balances are non-interest earning.

33. DEPOSITS – OTHERS

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Deposits-Parastatals United Republic of Tanzania	1,939,663,468	2,016,502,324
Export Credit Guarantee Fund	456,643	2,337,533
Staff Benefit Deposit	-	1,683,204
Government obligations settlements	125,156,570	17,192,103
Deposit staff	26,836,134	22,273,076
Small and Medium Enterprises Guarantee Fund	24,422	695,604
Deposit Insurance Fund	1,759,108	39,125,278
Miscellaneous deposits*	766,696,618	591,068,109
Mwalimu Julius K Nyerere Memorial Scholarship Fund	257,363	35,279
External Payment Arrears – NBC	2,288,419	2,288,419
Debt Conversion Scheme	2,098,960	2,098,960
Debt Service cash cover	41,862	1,811,145
Economic Empowerment Programme	3,536,611	3,402,894
Bank drafts issued	561,045	614,247
Redemption of Government Stock/Bonds	38,610	38,610
Development Finance Guarantee Fund	80,272	-
	<u>2,869,496,105</u>	<u>2,701,166,785</u>

*Included in miscellaneous is TZS 143,993.5 million (2022: TZS 110,534.0 million) in respect of Federal Bank of Middle East (FBME) funds transferred from FBME clearing accounts to cater for bank liquidation process.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

33. DEPOSITS – OTHERS (CONTINUED)

Development Finance Guarantee Fund:	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Development finance guarantee fund consists of the following:		
Capital contribution by the Government	56,500,000	56,500,000
Less: Transfer of loans proceeds to ECGF, SME-CGS	<u>(12,793,177)</u>	<u>(12,793,177)</u>
Net capital contribution	43,706,823	43,706,823
Interest on refinancing and structured loans	<u>53,259,372</u>	<u>47,381,560</u>
Sub Total	96,966,195	91,088,383
Less: Loans issued for refinancing and structured facility	<u>(96,966,195)</u>	<u>(91,088,383)</u>
Net balance	<u> -</u>	<u> -</u>

The Fund was established by the Government of the United Republic of Tanzania with the purpose of financing development projects that manufacture products for export purposes. The Government supports development efforts by businesses with potential to export their products by providing required guarantee to finance the infrastructure in those businesses.

As at 30 June 2023, Government Capital contribution made in financial years 2002/03 and 2003/04 to the Fund amounted to TZS 56,500.0 million. Interest received and accrued on refinancing and restructured loans aggregated to TZS 53,259.4 million (2022: TZS 47,381.6 million). The total accumulated fund as at 30 June 2023 amounted to TZS 96,966.2 million (2022: TZS 91,088.4 million) which represented the total loans issued for refinancing facilities to flowers and vegetable export companies on the same

Government Obligations Settlement:

This represents Government cash cover in order to settle outstanding foreign currency obligations. The balance as at 30 June 2023 amounted to TZS 125,156.6 million (2022: TZS 17,192.1 million).

Export Credit Guarantee Fund:

The balance under this fund consists of the following:	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Export Credit Guarantee Fund	6,276,916	4,396,026
Less: ECGS receivable/ impairment	<u>(6,733,559)</u>	<u>(6,733,559)</u>
	<u>(456,643)</u>	<u>(2,337,533)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

The Export Credit Guarantee Fund (the "Fund") was established by the Government of the United Republic of Tanzania in 2001 under the export credit guarantee scheme, in a bid to promote exports. The Fund provides guarantees to commercial banks to cover risk of default for the loans issued.

As at 30 June 2023, the Fund had a net balance of TZS 456.6 million (2022: TZS 2,337.5 million). It is a net of Government and the Bank's contributions, accumulated income from investment in treasury bills, bonds, guarantee fees and impairments.

Debt Service Cash Cover:

The amount represents URT Government funds deposited with the Bank equivalent to the foreign URT Government obligations and other services awaiting externalisation. As at 30 June 2023 the balance stood at TZS 41.9 million (2022: TZS 1,811.1 million)

Debt Conversion Scheme:

These are balances of debt conversion funds that are blocked in the account pending submission of progress reports by beneficiaries in respect of utilisation of previous disbursements, so as to justify further disbursements. The balance has remained at the same level for three years since no report has been received to facilitate disbursements.

Mwalimu Julius K Nyerere Memorial Scholarship Fund:

Included in Deposit Others is the Mwalimu Julius K. Nyerere Memorial Scholarship Fund. The Fund was established by the Bank of Tanzania on 12 October 2009 in honour of the life of the Father of the Nation, Mwalimu Julius Kambarage Nyerere. The objective of the Fund is to sponsor best performing students pursuing mathematics, science, accounting, finance and information technology degrees at University level in Tanzania. As at 30 June 2023, a total of TZS 5,144.2 million (2022: TZS 5,115.6 million) in respect of the Fund's resources had been invested in treasury bills and treasury bonds. As a result, the Fund had a net cash balance of TZS 257.4 million (2022: TZS 35.3 million)

34. FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign Currency Financial Liabilities consist of the following:

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Special Projects	2,708,556,012	2,234,884,260
Other Foreign Currency Deposits	39,414,727	35,950,808
Multilateral Debt Relief Initiative Fund	18,528,708	18,337,566
Non-Paris Club Liabilities Escrow	-	11,279,816
	<u>2,766,499,447</u>	<u>2,300,452,450</u>

Special Projects Funds:

These are United Republic of Tanzania Government funds received from donors for financing various Government projects. The projects are managed and monitored by the Ministry of Finance and Planning or other appointed project implementation agency. As at 30 June 2023, the total balance in respect of Special Project accounts aggregated to TZS 2,708,556.0 million (2022: TZS 2,234,884.3 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

34. FOREIGN CURRENCY FINANCIAL LIABILITIES (CONTINUED)

Non-Paris Club Liabilities Escrow:

This account represents funds deposited by the United Republic of Tanzania Government under memorandum of economic and financial policies arrangement pending agreement with the relevant group of non-Paris creditors. During the year under review, the account was closed and the remained balance were transferred to the Government account.

Multilateral Debt Relief Initiative Funds:

Multilateral debt initiative funds relate to debt relief relating to cancellation of Government of the United Republic of Tanzania indebtedness to the IMF under the IMF-Multilateral Debt Relief Initiative (MDRI). As at 30 June 2023, the fund had a balance amounting to TZS 18,528.7 million (2022: TZS 18,337.6 million).

35. REPURCHASE AGREEMENTS (REPOs)

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Repurchases Agreements	125,000,000	-
Accrued interest	34,465	-
	<u>125,034,465</u>	<u>-</u>

36. BOT LIQUIDITY PAPERS

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
BOT liquidity papers	536,740,741	46,706,302
Accrued interest	9,409,927	352,056
	<u>546,150,668</u>	<u>47,058,358</u>

As at 30 June 2023, the maturities profile of BOT Liquidity Papers held to maturity were as follows:

	<u>30.06.2023</u>		<u>30.06.2022</u>	
	TZS'000		TZS'000	
	Cost	Accrued Interest	Cost	Accrued Interest
35-Day Treasury Bills	-	-	1,995,598	2,767
91-Day Treasury Bills	2,376,528	9,544	9,935,234	35,126
182-Day Treasury Bills	381,470,624	5,316,042	34,775,470	314,162
364-Day Treasury Bills	152,893,588	4,084,342	-	-
	<u>536,740,740</u>	<u>9,409,928</u>	<u>46,706,302</u>	<u>352,055</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

These are financial instruments issued by the Bank under the open market operations to manage liquidity levels in the economy. Interest incurred on these instruments is accrued and recognised in profit and loss account as interest expenses.

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Provision for leave pay	<u>5,681,103</u>	<u>5,841,897</u>

Relates to the estimated monetary liability for employees earned but not taken leave entitlement at the end of the reporting period. The maximum allowance for number of leaves days accumulated is 56 days. Only leave falling under this period are accumulated. The movements between the two periods are recognised in the profit and loss accounts.

37. PROVISIONS

<i>Movement in provisions</i>	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Leave pay		
Carrying amount at the beginning of the year	5,841,897	8,537,729
(Decrease)/Increase in provision	<u>(160,794)</u>	<u>(2,695,832)</u>
Carrying amount at the end of the year	<u>5,681,103</u>	<u>5,841,897</u>

38. OTHER LIABILITIES

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Accounts payable	55,653,650	54,686,829
Stale draft payables	108,330	108,330
Other employee cost payable	609,656	619,880
Sundry payables	3,452,573	5,937,609
Lease liability	<u>1,152,651</u>	<u>1,719,083</u>
	<u>60,976,860</u>	<u>63,071,731</u>

Included in the accounts payable is TZS 19,192 million for trade date payables of foreign financial investments and TZS 24,516.7 million for other creditors

Below is the maturity analysis table in respect of lease liability, all figures are un-discounted

	Fiber Optic Cables TZS '000	Land TZS '000
Up to 1 year	718,438	84,345
From 1 to 2 years	-	84,345
From 2 to 3 years	-	84,345
From 3 to 4 years	-	84,345
From 4 to 5 years	-	84,345
From 5 to 33 years	-	1,750,079
Above 33 years	-	4,257,377
Total	718,438	6,429,181



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

39. AUTHORIZED AND PAID UP SHARE CAPITAL

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Authorised and paid up share capital	100,000,000	100,000,000

40. RESERVES

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
(a) General Reserve	805,869,834	750,914,385
(b) Capital Reserve	99,262,908	99,262,908
(c) Equalisation Reserve	392,426,269	372,815,082
(d) Reserve for Projects	23,809,186	23,809,186
(e) Staff Housing Fund	153,318,143	146,317,882
(f) Foreign Exchange Revaluation Reserve	(107,860,374)	100,427,672
(g) Securities Revaluation Reserve	(248,144,028)	(273,369,755)
(h) Financial Sector Development Fund	50,690,731	45,804,944
(i) Reserve for Dividend	100,000,000	100,000,000
(j) Defined Benefit Reserves	(29,562,585)	(34,112,633)
	<u>1,239,810,084</u>	<u>1,331,869,671</u>

(a) General Reserve

In accordance with Section 18(1) of the Bank of Tanzania Act, 2006, the Bank is required to maintain a General Reserve Fund. The amount maintained in this account relates to annual appropriation of distributable profits determined by virtue of Section 18(2) of the aforesaid Act. The Act requires the Bank to transfer to the General Reserve Fund twenty-five percent of the net profits until such time that the total capital of the Bank reach a sum equivalent to at least ten per centum of the total assets of the Bank less its assets in gold and foreign currencies. Thereafter, the Bank transfers not less than ten percent of profits to the General Reserve Fund. During the year ended 30 June 2023, the Bank transferred TZS 54,955.4 million to general reserve. As at 30 June 2023 the reserve had a balance of TZS 805,869.8 million (2022: TZS 750,914.4 million).

(b) Capital Reserve

The Capital Reserve was established on 30 June 2002. On an annual basis the amount spent to finance capital projects from the Reserve for Projects account is transferred to this reserve. The reserve is permanent in nature and can only be available for enhancement of share capital when need arises. As at 30 June 2023, the reserve had the same balance as it was on 30 June 2022 of TZS 99,262.9 million.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(c) Equalisation Reserve

The reserve was established on 30 June 2006 as foreign exchange equalisation reserve and amended on 30 June 2015 to include cushion for future losses on fair value movements on securities. The reserve acts as a cushion against any significant future losses, which may arise from significant appreciation of Tanzanian Shilling compared to other international currencies, and unfavourable movement in market prices of financial instruments measured at fair value. The reserve is also available to absorb unrealised losses that cannot be absorbed by the opening balances in that account.

The justification for the establishment of the aforesaid reserve as part of the equity of the Bank centres on the requirement of the Bank, among other business entities requiring management to ensure preservation of capital, in terms of mitigating risks that can cause capital impairment or impairment of the entity's assets. As at 30 June 2023, the reserve had a balance of TZS 392,426.3 million (2022: TZS 372,815.1 million).

(d) Reserve for Projects

This reserve was established by a resolution of the Bank's Board of Directors on 30 June 1992. The purpose of the reserve is to provide funds for financing major capital projects of the Bank. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. The Board considered the balance available in this account as at 30 June 2016 to be adequate to meet current and future projects. As at 30 June 2023 the reserve had a balance of TZS 23,809.19 million (2022: TZS 23,809.19 million).

(e) Staff Housing Fund

The Staff Housing Fund was established by a resolution of the Board of Directors on 30 June 1990. The purpose of this Fund is to finance housing loans to Bank's employees. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. As at 30 June 2023, the Fund had a balance of TZS 153,318.1 million (2022: TZS 146,317.9 million). The increase during the year was on account of interest earned from Fund's investments.

(f) Financial Sector Development Fund

This is a Fund established by the Board on 30 June 2016 pursuant to Section 18(1) (d) of the Bank of Tanzania Act, 2006 to foster execution of the Bank's mandate on financial sector development. The fund complements donor funds directed towards financial sector reforms. As at 30 June 2023, the fund had TZS 50,690.7 million (2022: TZS 45,804.9 million). The increase is on account of interest income earned from the Fund's investments.

(g) Securities Revaluation Reserve

The Bank maintains Securities Revaluation Reserve to account for unrealised gains and losses arising from changes in fair value of financial instruments measured at fair value. As at 30 June 2023, the reserve had a total loss of TZS 248,144.0 million (2022: TZS 273,369.8 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(h) Foreign Exchange Revaluation Reserve

In accordance with Section 18(4) of the Bank of Tanzania Act, 2006, unrealised gains or losses on foreign exchange are transferred to this reserve account. In accounting for unrealised gains or losses the Bank complies with the requirements of both IFRS and the Bank of Tanzania Act (2006). Pursuant to the requirements of the International Accounting Standard (IAS – 21) the Effects of Changes in Foreign Exchange Rates, all realised and unrealised foreign exchange valuations should be taken to the profit or loss. As at 30 June 2023, the reserve had a total unrealised loss of TZS 107,860.4 million (2022: gain of TZS 100,427.7 million).

Both realised and unrealised foreign exchange gains or losses are taken to profit or loss for the purposes of determination of profit or loss for the year. Until such gains or losses are realised, they are not available for distribution; in the interim, the unrealised amounts are reflected in the Foreign Exchange Revaluation Reserve. The separation of realised from unrealised exchange gains and losses is done by use of an “inventory accounting for foreign exchange assets and liabilities”.

(i) Reserve for Dividend

This reserve accommodates the amount declared a dividend payable to the Government (shareholder) after end of the accounting period. During the year ended 30 June 2023, the Bank declared dividend of TZS 100,000.0 million. As at 30 June 2023, the dividend reserve had a balance of TZS 100,000.0 million (2022: TZS 100,000.0 million).

(j) Defined Benefit Reserve

This reserve was established in June 2013 in order to accommodate re-measurements arising from change in actuarial assumptions to ensure compliance with International Accounting Standard (IAS 19 as revised in 2011)-Employee Benefits. During the year ended 30 June 2023 an actuarial gain of TZS 4,550.0 million (2022: loss of TZS 8,469.7 million) was recorded following revision of actuarial assumptions. As at 30 June 2023, the reserve had a loss balance of TZS 29,562.3 million (2022: TZS 34,112.6 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

41. CASH GENERATED FROM/USED IN OPERATING ACTIVITIES

	30.06.2023 TZS '000	30.06.2022 TZS '000
Profit before tax	60,400,963	(59,611,721)
Adjustment for:		
Depreciation and impairment of property and equipment	24,760,248	28,491,796
Unrealized loss/(gains) on foreign exchange revaluation and price*	172,464,153	(60,710,032)
Carrying amount of fixed assets reclassified to Profit and Loss	1,543,404	-
Amortisation of intangible assets	1,679,732	2,045,101
Net (gain)/loss on disposal of property and equipment	(3)	48,553
Gain on provision of ECL on Financial instruments	(912,064)	(275,148)
Provision for retirement benefit	6,572,392	9,976,104
Fair valuation of Government bond(Fair valuation loss)	-	221,704,810
Net loss/ (gain)on disposal of foreign currency marketable securities	7,080,990	(19,983,753)
	273,589,815	121,685,710
Changes in working capital		
(Increase)/decrease in escrow assets	11,278,779	(21,763)
Decrease in items in course of settlement	368,116,969	428,706
(Increase)/decrease in advances to Government	(2,362,402,905)	371,670,702
(Increase)/decrease in loans and receivables	117,125,484	(297,719,348)
(Increase)/decrease in inventories	288,781	(143,075)
(Increase)/decrease in deferred currency costs	7,292,811	(40,887,750)
(Increase)/decrease in other assets	(222,435,010)	72,146,898
increase in foreign currency financial liabilities	419,365,846	731,409,224
(Increase)/decrease in deposits**	827,215,041	(863,871,100)
Increase in other liabilities and provisions***	(20,111,577)	(55,586,221)
Net changes in working capital	(854,265,781)	(82,573,727)
Net cash (used)/ generated from operating activities	(580,675,966)	39,111,983

* Unrealized loss/gains on foreign exchange revaluation as at 30 June 2023 includes:

Unrealized loss on IMF Related Liabilities TZS 12,587,315 (2022: gain of TZS 74,230,533)

Unrealized loss on allocation of SDR TZS 21,288,887 (2022: gain of TZS 118,822,905)

Unrealized gain on Quota in IMF TZS 14,811,018 (2022: loss of TZS 87,344,261)

The above unrealized changes of IMF accounts which were included in the Statement of cash flow in year 2022 have been adjusted in comparative figures to reflect cash flow movements in order to enhance comparability between the two reported years.

**Included in deposits is an amount in respect of other deposit, deposit banks and non-bank financial institutions

*** Included in other liabilities and provisions is an amount in respect of provisions, retirement benefit obligations and other liabilities.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

42. RISK MANAGEMENT

42.1 Introduction

Risk management process in the Bank is based on the Corporate Risk Management Framework (CRM), policy and guidelines that call for an integrated approach to ensure that all risks inherent in the operations are effectively managed; so that the Bank can in turn attain its strategic goals and objectives.

While fulfilling its mandate, the Bank carries out a wide range of activities from implementing monetary policy to monitoring, regulating and supervising the financial system. These activities include, managing foreign reserves and banking system liquidity, providing payment systems and settlement services, banking services to the government, and issuing currency.

Bank's activities in managing foreign exchange reserves, implementing monetary policy and managing liquidity in the banking sector necessitate the use of financial instruments. The majority of the Bank's financial risks arise from these activities, which involve trading in foreign and local currency assets and liabilities. In the course of carrying out these activities, the Bank is likely to encounter financial and non-financial risk the non-financial risks have been elaborated in the Report by Those Charged with Governance under the key risks and uncertainties section

The main financial risks that the Bank is exposed to include; foreign currency risk, interest rate risk, credit risk, and liquidity risk.

The financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Bank.

The Bank's risks are measured to reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on quantitative factors. The quantitative factors use models which make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

The financial risk is analysed and reported to management on timely basis. As part of its financial risk management, the Bank uses various limits specified in the policy and guidelines to manage exposures to various risks.

42.2 Risk management structure

The Bank's management seeks to ensure that effective risk management processes exist for assessing, managing and monitoring risk, within clear risk policies and frame work. The Bank identifies, assesses and manages risk at both Corporate ('top-down') and business ('bottom-up') level, thus risk management is the responsibility of all employees. Heads of business units have a responsibility to evaluate their risk environment, put in place appropriate controls and monitor the effectiveness of these controls.

There are governance arrangements within the Bank as set out in a Corporate Risk Management Framework (approved by the Board of Directors) and documented authorities for implementation of risk management and oversight of the Bank's operations.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Finance and Investment Committee oversee corporate risk management as implemented by the Bank's management in ensuring that agreed standards and policies are followed.

The Risk Management Department is responsible for analysing the financial and operation risks faced by the Bank in its operations, and exercising control on these risks as they are taken through those operations. The Internal Audit function is responsible for providing an independent evaluation of risk management, implementation and reviewing corporate risk profile.

Classification and measurement of financial instruments

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. After the assessment the Bank did not make any changes on the business model.

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities

Financial instruments are initially recognised when an entity becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument.

IFRS 9 classification is based on two aspects: the business model within which the asset is held (the business model test) and the contractual cash flows of the asset which meet The Solely Payments of Principal and Interest ('SPPI') test.

Credit risk is the risk of loss due to a borrower or counterparty failing to meet their financial obligations to the Bank in accordance with agreed terms.

The Bank credit risk exposure includes both direct exposures and contingent exposures. Direct credit exposure arises from open market operations carried out in order to provide short term liquidity to banks within the framework of monetary policy implementation and from the investments made during foreign exchange reserve management. Whereby contingent credit exposures relate to banknote issuance and circulation activities.

The Bank's maximum exposure to credit risk for each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Credit risk for Foreign Reserves Management is monitored and managed through rating agencies analysis and Internal Credit tools. Exposures are controlled through comprehensive individual counterparty credit limit and issuer credit rating by the International Credit Rating Agencies. The Bank confines its investment to high credit quality issuers and counterparties mainly comprising of foreign governments, suprationals, international financial institutions and government guaranteed agencies.

The institutions eligible for investment placements and transactions are selected based on criteria set in Investment Management Policy and Guidelines. The investment policy requires issuers/counterparties to be considered for foreign reserve investments to have minimum credit rating



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

criteria of “A” and the counterparty/issuer must be rated by at least two rating agencies among S&P Global Ratings, Moody’s Rating and Fitch Ratings. For brokerage services of fixed income and foreign exchange transactions, the counterparties must have a rating of F-2, A-2 and P-2 by at least two of rating agencies. With regard to individual counterparty exposure, the limit is set in the investment management guidelines takes into consideration Internal Credit Rating, Public Rating Agencies Analysis and strength of business relationship. Overall, the credit risk assumed during financial year 2020/21 operations remained at quite low levels as a great portion of reserves are invested in assets issued or directly guaranteed by the respective governments as well as by supranational institutions such as the World Bank, the European Investment Bank and Bank for International Settlements.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit risk

Total assets of the Bank exposed to credit risk as of 30 June 2023 with its comparative figures are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's)

Description	30.06.2023		30.06.2022	
	TZS '000	Share (%)	TZS '000	Share (%)
Central Banks				
AAA to A	919,609,909	4.35	1,039,401,205	5.66
	-	-	10,294,225	0.06
Foreign Commercial Banks				
AAA to A	4,514,776,491	21.34	3,359,970,898	18.29
BBB to B	378,332,988	1.79	864,920	0.004
Foreign currency Operation	4,561,675	0.02	58,942,157	0.32
Accrued interest on deposits	7,537,856	0.04	1,684,202	0.01
Escrow accounts				
A+	-	-	11,278,779	0.06
Loans, receivables & advances to the government				
NR*	4,698,716,157	22.21	2,452,441,023	13.35
Investment in securities				
Marketable securities	7,011,946,367	33.15	7,606,900,473	41.41
AAA	5,139,666,902		4,980,506,567	
AA+	158,943,405		330,062,470	
AA	325,138,753		22,650,386	
AA-	-		310,040,628	
A+	1,388,197,307		1,963,640,322	
Government securities				
NR*	2,081,966,776	9.85	2,479,507,487	13.50
Other assets (excluding prepayments)				
NR*	287,406,837	1.36	108,975,267	0.59
Holdings of Special Drawing Rights (SDRs)				
NR*	14,362,672	0.07	21,177,737	0.12
Quota in International Monetary Fund (IMF)				
NR*	1,231,998,513	5.82	1,217,187,495	6.63
	<u>21,151,216,641</u>	<u>100.00</u>	<u>18,368,625,868</u>	<u>100.00</u>

* NR - Not Rated



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2023 is as follows:

Details	Foreign Central Banks & Treasury	Supranational Institutions	Domestic Financial Institutions	Foreign Financial Institutions	Government Guaranteed Agencies	Tanzania Treasury	Total
2023	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Central Banks, Foreign Commercial Banks and Escrow accounts							
Cash with Central Banks	919,609,909	-	-	-	-	-	919,609,909
Demand, time deposits and foreign currency notes and coins	2,431,777,097	-	539,445	2,468,275,419	-	-	4,900,591,961
Foreign currency operations	-	-	-	-	-	4,561,675	4,561,675
Escrow accounts	-	-	-	-	-	-	-
Investment in securities							
Foreign Currency Marketable securities	5,765,616,930	1,055,312,689	-	112,612,463	78,404,285	-	7,011,946,367
Government securities	-	-	-	-	-	2,081,966,776	2,081,966,776
Others							
Loans, receivables and advances	-	-	314,277,199	-	-	4,384,438,958	4,698,716,157
Other assets (excluding prepayments)	-	-	-	-	-	287,406,837	287,406,837
Holdings of Special Drawing Rights (SDRs)	-	14,362,672	-	-	-	-	14,362,672
Quota in International Monetary Fund (IMF)	-	1,231,998,513	-	-	-	-	1,231,998,513
	9,117,003,936	2,301,673,874	314,816,644	2,580,887,882	78,404,285	6,758,374,246	21,151,160,867



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2022 is as follows:

Details	Foreign Central Banks & Treasury TZS '000	Supranational Institutions TZS '000	Domestic Financial Institutions TZS '000	Foreign Financial Institutions TZS '000	Government Guaranteed Agencies TZS '000	Tanzania Treasury TZS '000	Total TZS '000
Central Banks, Foreign Commercial Banks and Escrow accounts							
Cash with Central Banks	1,049,695,430	-	-	-	-	-	1,049,695,430
Demand, time deposits and foreign currency notes and coins	449,864,753	55,586,388	-	2,857,068,880	-	-	3,362,520,021
Foreign currency operations	-	-	-	-	-	58,942,156	58,942,156
Escrow accounts	-	-	-	11,278,779	-	-	11,278,779
Investment in securities							
Foreign Currency Marketable securities	4,538,663,923	1,463,838,134	-	-	1,604,398,416	-	7,606,900,473
Government securities	-	-	-	-	-	2,479,507,487	2,479,507,487
Others							
Loans, receivables and advances	-	-	440,392,079	-	-	2,022,036,054	2,462,428,133
Other assets (excluding prepayments)	-	-	-	-	-	108,975,267	108,975,267
Holdings of Special Drawing Rights (SDRs)	-	21,177,737	-	-	-	-	21,177,737
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	-	-	-	1,217,187,495
	6,038,224,106	2,757,789,754	440,392,079	2,868,347,659	1,604,398,416	4,669,460,964	18,378,612,978



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2023 is as follows:

Details	Tanzania TZS '000	USA TZS '000	UK TZS '000	Other European Countries TZS '000	China TZS '000	Other Countries TZS '000	Total TZS '000
2023							
Assets							
Cash and balances with central banks & other banks	10,114,301	1,867,311,328	80,869,680	1,956,587,780	1,117,870,428	791,910,101	5,824,663,618
Foreign Time Deposits	-	-	-	-	-	-	-
Escrow accounts	-	-	-	0	-	-	-
Holdings of Special Drawing Rights (SDRs)	-	14,362,672	-	0	-	-	14,362,672
Quota in International Monetary Fund (IMF)	-	1,231,998,513	-	0	-	-	1,231,998,513
Foreign currency marketable securities	-	4,568,175,362	325,138,753	239,083,013	1,391,213,812	488,335,427	7,011,946,367
Government securities	2,081,966,776	-	-	0	-	-	2,081,966,776
Advances to the Government	4,384,438,958	-	-	0	-	-	4,384,438,958
Loans and receivables	314,277,199	-	-	0	-	-	314,277,199
Other assets (excluding prepayments)	287,406,837	-	-	0	-	-	287,406,837
Total assets	7,078,204,071	7,681,847,875	406,008,433	2,195,670,793	2,509,084,240	1,280,245,528	21,151,060,940
Liabilities							
Currency in circulation	7,192,010,828	-	-	-	-	-	7,192,010,828
Deposits banks and non banks financial institutions	4,341,042,181	-	-	-	-	-	4,341,042,181
Deposits - others	2,869,496,105	-	-	-	-	-	2,869,496,105
Items in course of settlement	371,954,252	-	-	-	-	-	371,954,252
Foreign currency financial liabilities	2,766,201,612	-	-	-	-	297,835	2,766,499,44
Repurchase agreements	125,034,465	-	-	-	-	-	125,034,465
BoT liquidity papers	546,150,668	-	-	-	-	-	546,150,668
Other liabilities	59,824,213	-	-	-	-	-	59,824,209
Lease Liability	1,152,651	-	-	-	-	-	1,152,651
IMF related liabilities	1,047,028,240	-	-	-	-	-	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	-	1,782,136,232	-	-	-	-	1,782,136,232
Total liabilities	19,319,895,215	1,782,136,232	-	-	-	297,835	21,102,329,278



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2022 is as follows:

Details	Tanzania	USA	UK	Other European	China	Other Countries	Total
	TZS '000	TZS '000	TZS '000	Countries TZS '000	TZS '000	TZS '000	TZS '000
2022							
Assets							
Cash and balances with central banks & other banks	63,125,625	818,214,408	636,964,817	922,860,677	1,556,692,956	473,299,124	4,471,157,607
Foreign Time Deposits	-	-	-	-	-	-	-
Escrow accounts	-	-	11,278,779	0	-	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	-	21,177,738	-	0	-	-	21,177,738
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	0	-	-	1,217,187,495
Foreign currency marketable securities	-	4,336,889,754	296,816,483	548,612,118	1,966,575,202	458,006,916	7,606,900,473
Government securities	2,479,507,487	-	-	0	-	-	2,479,507,487
Advances to the Government	2,022,036,054	-	-	0	-	-	2,022,036,054
Loans and receivables	440,392,079	-	-	0	-	-	440,392,079
Other assets (excluding prepayments)	108,975,267	-	-	0	-	-	108,975,267
Total assets	5,114,036,512	6,393,469,395	945,060,079	1,471,472,795	3,523,268,158	931,306,040	18,378,612,979
Liabilities							
Currency in circulation	6,618,845,966	-	-	-	-	-	6,618,845,966
Deposits banks and non banks financial institutions	3,651,670,348	-	-	-	-	-	3,651,670,348
Deposits - others	2,701,166,785	-	-	-	-	-	2,701,166,785
Items in course of settlement	3,837,283	-	-	-	-	-	3,837,283
Foreign currency financial liabilities	2,300,044,999	-	-	-	-	407,451	2,300,452,450
BoT liquidity papers	47,058,357	-	-	-	-	-	47,058,357
Other liabilities	61,352,648	-	-	-	-	-	61,352,648
Lease Liability	1,719,083	-	-	-	-	-	1,719,083
IMF related liabilities	1,034,440,924	-	-	-	-	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	-	-	-	-	1,751,474,416
Total liabilities	16,420,136,393	1,751,474,416	-	-	-	407,451	21,102,329,278



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

Credit quality per class of financial assets

The credit quality per class of financial assets is managed by the Bank using internal ratings system. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Bank's credit rating system. The amount presented is gross of impairment allowances.

Details	Neither past due nor impaired TZS '000	Past due but not impaired TZS '000	Individually impaired TZS '000	Total TZS '000
30.06.2023				
Cash and cash equivalents	5,824,663,618	-	130,584	5,824,794,202
Escrow accounts	-	-	-	-
Foreign currency marketable securities	7,011,946,367	-	-	7,011,946,367
Government securities	2,081,966,776	-	-	2,081,966,776
Loans, receivables and advances	4,698,716,157	-	8,989,395	4,707,705,552
Other assets (excluding prepayments)	287,406,837	-	-	287,406,837
Holdings of Special Drawing Rights (SDRs)	14,362,672	-	-	14,362,672
Quota in International Monetary Fund	1,231,998,513	-	-	1,231,998,513
	21,151,060,940	-	9,119,979	21,160,180,919
30.06.2022				
Cash and cash equivalents	4,471,112,672	-	44,935	4,471,157,607
Escrow accounts	11,278,779	-	-	11,278,779
Foreign currency marketable securities	7,606,900,473	-	33,095	7,606,933,568
Government securities	2,479,507,487	-	-	2,479,507,487
Loans, receivables and advances	2,452,441,023	-	9,987,110	2,462,428,133
Other assets (excluding prepayments)	108,975,266	-	-	108,975,266
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	21,177,737
Quota in International Monetary Fund	1,217,187,495	-	-	1,217,187,495
	18,368,580,932	-	10,065,140	18,378,646,072

Details on provision for impairment losses on loans and receivables have been provided under Note 24. The Bank does not hold collateral for financial liabilities pledged as security.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

Credit quality per class of financial assets (continued)

Individually assessed allowances:

The Bank determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficult has arisen, projected receipts and the expected pay-out should bankruptcy ensure, the availability of other financial support, the realisable value of collateral and timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>Gross Maximum Exposure</u>	<u>Gross Maximum Exposure</u>
	TZS '000	TZS '000
Cash and cash equivalents	5,824,794,202	4,471,157,607
Escrow accounts	-	11,278,779
Foreign currency marketable securities	7,011,946,367	7,606,900,473
Government securities	2,081,966,776	2,479,507,487
Loans, receivables and advances	4,698,716,157	2,462,428,133
Other assets (Excluding prepayments)	287,406,837	108,975,267
Holdings of Special Drawing Rights (SDRs)	14,362,672	21,177,737
Quota in International Monetary Fund	1,231,998,513	1,217,187,495

The Bank's maximum exposure to credit risk for each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The maximum exposure to credit risk for derivatives at the reporting date is detailed below. Futures are settled and recorded on net terms while swaps are settled on gross terms but recorded on net basis. The net values of derivatives are as follows:

	<u>Asset (Liabilities)</u>
	TZS '000
2023	
Futures	-
SWAP	(6,354,832.47)
2022	
Futures	(25.7)
SWAP	32,745



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss allowance disclosure

The following tables explain the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors:

Loss allowance-Cash and balances with central banks and other banks	Stage 1 12-month ECL TZS 000	Stage 2 Lifetime ECL TZS 000	Stage 3 Lifetime ECL TZS 000	Total TZS 000
Loss allowance as at 30 June 2022	44,935	-	-	44,935
Movements with impact in the Statement of Profit or Loss				
New financial assets originated or purchased	16,738	-	-	16,738
Financial assets that have been derecognised	-	-	-	-
Changes in risk parameters	68,912	-	-	68,912
Loss allowance as at 30 June 2023	130,585	-	-	130,585

Loss allowance – Loans and receivables	Stage 1 12-month ECL TZS '000	Stage 2 Lifetime ECL TZS '000	Stage 3 Lifetime ECL TZS '000	Total TZS '000
Loss allowance as at 30 June 2022	818,971	297,403	8,870,736	9,987,110
Changes in the loss allowance				
Transfer to stage 1	102,363	-	(102,363)	-
Transfer to stage 2	-	349,391	(349,391)	-
Transfer to stage 3	(4,200)	(5,528)	9,728	-
Movements with impact in the income statement				
New financial assets originated or purchased	137,734	-	3,236	140,970
Financial assets that have been derecognised	(72,822)	(1,130)	(992,106)	(1,066,058)
Changes in risk parameters	(105,298)	171,257	(138,586)	(72,627)
Total impact to the income statement	(40,386)	170,127	(1,127,456)	(997,715)
Loss allowance as at 30 June 2023	778,585	467,530	7,743,280	8,989,395



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(a) Credit Risk (continued)

Cash and balance with central and other banks at amortised cost stage movement

	Stage 1 12 month ECL TZS '000	Stage 2 Lifetime ECL TZS '000	Stage 3 Lifetime ECL TZS '000	Total TZS '000
Gross carrying amount Cash and balances with central banks and other banks				
Gross carrying as at 30 June 2022	4,482,436,586	-	-	4,482,436,586
Movements with impact in the Statement of Financial Position				
New financial assets originated or purchased	424,784,866	-	-	424,784,866
Financial assets that have been derecognised	-	-	-	-
Changes in risk parameters	917,572,750	-	-	917,572,750
Gross carrying as at 30 June 2023	5,824,794,202	-	-	5,824,794,202

Gross carrying amount Loans and receivables

	Stage 1 12 month ECL TZS '000	Stage 2 Lifetime ECL TZS '000	Stage 3 Lifetime ECL TZS '000	Total TZS '000
Gross carrying as at 30 June 2022	102,997,376	468,165	10,154,691	113,620,232
Changes in the loss allowance				
Transfer to stage 1	227,473	-	227,473	-
Transfer to stage 2	-	422,989	(422,989)	-
Transfer to stage 3	(377,869)	(8,804)	386,673	-

Movements with Impact in the Statement of Financial Position

New financial assets originated or purchased	222,861,721		3823	222,865,544
Financial assets that have been derecognised	(10,961,376)	(2,599)	(1,598,997)	(12,562,972)
Changes in risk parameters	(502,324)	(72,534)	(81,352)	(656,210)
Total impact in the Statement of Financial Position	211,398,021	(75,133)	(1,676,526)	209,646,362
Gross carrying amount Loans and receivables as at 30 June 2023	314,395,397	393,032	8,478,165	323,266,594



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Exposure to Credit Risk

Maximum exposure to credit risk — Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amounts of financial asset below also represent the Bank's maximum exposure to credit risk on these assets, including commitment on loans.

				30 June 2023	30 June 2022
	Stage 1 12-month ECL TZS '000	Stage 2 Lifetime ECL TZS '000	Stage 3 Lifetime ECL TZS '000	Total TZS '000	Total TZS '000
Investment grade	19,875,975,952	-	-	19,875,975,952	17,251,950,969
Standard monitoring	111,870,514	807,218	3,070,376	114,578,834	5,478,856
Default	-	-	5,144,000	5,144,000	5,144,000
Gross carrying amount	19,987,846,466	807,218	8,214,376	19,995,698,786	17,262,573,825
Loss allowance	(909,169)	(467,530)	(7,743,281)	(9,119,980)	(10,065,140)

Collateral and other credit enhancements

The Bank obtains collateral where appropriate, from Staff to manage their credit risk exposure to the Bank staff. The collateral is in the form of staff properties and staff internal terminal benefits.

Write-off policy

(i) The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(ii) The Bank may write-off financial assets that are still subject to enforcement activity. The Bank will seek to recover amounts it is legally owed in full, but which have been fully or partially written off due to no reasonable expectation of full recovery.

(b) Liquidity risk

This arises from inability of the Bank to meet its own foreign exchange and government obligations without incurring huge price concession. The Bank does not have liquidity risk for financial liabilities denominated in Tanzanian shillings as the Bank can meet these liabilities through market operations

Due to its nature of business (externalisation of the government obligations), a huge amount of expected foreign cash flows is not reflected in the Statement of Financial Position. As a result, assets-liabilities management may not be effective. Thus, to manage this risk, the Bank categorizes its foreign exchange reserves into Liquidity, Investment, Stable, Special Purposes and Investment tranches. The liquidity tranche is intended to meet both anticipated and unanticipated monthly cash requirements thus matching both on and off Statement of Financial Position foreign assets and liabilities. The tranche is monitored on a daily basis. It is comprised of highly liquid short-term financial instruments

The table below analyses the assets and liabilities of the Bank into relevant maturity based on the remaining period at Statement of Financial Position date to contractual maturity date.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Liquidity Risk (continued)

By contractual maturity analysis of financial instruments

Details	Up to 1 Month	From 1 to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 Years	Total
2023	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Assets						
Cash and balances with central banks & other banks	3,778,104,370	1,354,592,023	691,967,225	-	-	5,824,663,618
Escrow accounts	-	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	14,362,672	-	-	-	-	14,362,672
Quota in International Monetary Fund (IMF)	-	-	-	-	1,231,998,513	1,231,998,513
Foreign currency marketable securities	696,345,819	-	1,764,908,778	4,477,707,678	72,984,092	7,011,946,367
Equity investment	-	-	-	-	118,230,124	118,230,124
Government securities	-	67,822,164	818,337,337	1,126,039,040	69,768,235	2,081,966,776
Advance to the Government	-	-	4,384,438,958	-	-	4,384,438,958
Loans and receivables	66,914,426	175,736,695	1,354,335	11,143,694	59,128,049	314,277,199
Other assets (excluding prepayments)	180,453,201	50,690,730	-	56,262,906	-	287,406,672
Total assets	4,736,180,488	1,648,841,612	7,661,006,633	5,671,153,318	1,552,109,013	21,269,291,064
Liabilities						
Currency in circulation	7,192,010,828	-	-	-	-	7,192,010,828
Deposit - banks and non-banks financial institutions	4,341,042,179	-	-	-	-	4,341,042,179
Deposit others	2,869,496,105	-	-	-	-	2,869,496,105
Foreign currency financial liabilities	2,766,499,447	-	-	-	-	2,766,499,447
Items in course of settlement	371,954,252	-	-	-	-	371,954,252
Repurchase Agreements	125,034,465	-	-	-	-	125,034,465
BOT liquidity papers	26,936,804	263,403,432	255,810,433	-	-	546,150,669
Other liabilities	59,824,209	-	-	-	-	59,824,209
Lease liability	-	-	802,783	337,380	6,007,456	7,147,619
IMF Related Liabilities	1,047,028,240	-	-	-	-	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	1,782,136,232	1,782,136,232
Total liabilities	18,799,826,529	263,403,432	256,613,216	337,380	1,788,143,688	21,108,324,245
Net liquidity gap	(14,063,646,041)	1,385,438,180	7,404,393,417	5,670,815,938	(236,034,675)	160,966,819



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Liquidity Risk (continued)

By contractual maturity analysis of financial instruments

Details	Up to 1 Month	From 1 to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 Years	Total
2022	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Assets						
Cash and balances with central banks & other banks	4,471,112,672	-	-	-	-	4,471,112,672
Escrow accounts	11,278,779	-	-	-	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	-	-	21,177,737
Quota in International Monetary Fund (IMF)	-	-	-	-	1,217,187,495	1,217,187,495
Foreign currency marketable securities	276,464,068	287,118,552	1,699,679,921	5,275,834,026	67,803,906	7,606,900,473
Equity investment	-	-	-	-	11,721,028	11,721,028
Government securities	-	481,077,335	-	1,812,009,259	186,420,893	2,479,507,487
Advance to the Government	-	-	2,022,036,054	-	-	2,022,036,054
Loans and receivables	43,680,943	317,270,424	1,242,301	9,521,722	58,689,579	430,404,969
Other assets (excluding prepayments)	17,099,079	45,804,944	-	46,071,244	-	108,975,267
Total assets	4,840,813,278	1,131,271,255	3,722,958,276	7,143,436,250	1,641,822,901	18,480,301,961
Liabilities						
Currency in circulation	6,618,845,966	-	-	-	-	6,618,845,966
Deposit - banks and non-banks financial institutions	3,651,670,348	-	-	-	-	3,651,670,348
Deposit others	2,701,166,785	-	-	-	-	2,701,166,785
Foreign currency financial liabilities	2,300,452,450	-	-	-	-	2,300,452,450
Items in course of settlement	3,837,283	-	-	-	-	3,837,283
BOT liquidity papers	11,655,398	19,304,779	16,098,181	-	-	47,058,358
Other liabilities	61,352,648	-	-	-	-	61,352,648
Lease liability	-	-	-	1,719,083	-	1,719,083
IMF Related Liabilities	1,034,440,924	-	-	-	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	1,751,474,416	1,751,474,416
Total liabilities	16,383,421,802	19,304,779	16,098,181	1,719,083	1,751,474,416	18,172,018,261
Net liquidity gap	(11,542,608,524)	1,111,966,476	3,706,860,095	7,141,717,169	(109,651,515)	308,283,700



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Liquidity Risk (continued)

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2023	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	5,824,663,618	-	5,824,663,618
Escrow accounts	-	-	-
Holdings of Special Drawing Rights (SDRs)	14,362,672	-	14,362,672
Quota in International Monetary Fund	-	1,231,998,513	1,231,998,513
Foreign Currency Marketable securities	2,461,254,597	4,550,691,770	7,011,946,367
Equity investment	-	118,230,124	118,230,124
Government securities	886,159,502	1,195,807,274	2,081,966,776
Advance to the Government	4,384,438,958	-	4,384,438,958
Loans and receivables	244,005,457	70,271,742	314,277,199
Other assets (excluding prepayments)	231,143,931	56,262,906	287,406,837
	14,046,028,735	7,223,262,329	21,269,291,064
Liabilities			
Currency in circulation	7,192,010,828	-	7,192,010,828
Deposit - banks and non-banks financial institutions	4,341,042,180	-	4,341,042,180
Deposit – Others	2,869,496,105	-	2,869,496,105
Foreign currency financial liabilities	2,766,499,447	-	2,766,499,447
Items in course of settlement	371,954,252	-	371,954,252
Repurchase agreements	125,034,465	-	125,034,465
BOT liquidity papers	546,150,669	-	546,150,669
Other liabilities	59,824,209	-	59,824,209
Lease liability	802,783	6,344,835	7,147,618
IMF related liabilities	1,047,028,240	-	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	-	1,782,136,232	1,782,136,232
Total liabilities	19,319,843,178	1,788,481,067	21,108,324,245
Net Liquidity gap	(5,273,814,443)	5,434,781,261	160,966,819



Bank of Tanzania Annual Report 2022/23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(b) Liquidity Risk (continued)

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2022	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,471,112,672	-	4,471,112,672
Escrow accounts	11,278,779	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	21,177,737
Quota in International Monetary Fund	-	1,217,187,495	1,217,187,495
Foreign Currency Marketable securities	2,263,262,541	5,343,637,932	7,606,900,473
Equity investment	-	111,721,028	111,721,028
Government securities	481,077,335	1,998,430,152	2,479,507,487
Advance to the Government	2,022,036,054	-	2,022,036,054
Loans and receivables	362,193,669	68,211,300	430,404,969
Other assets (excluding prepayments)	62,904,023	46,071,244	108,975,267
	9,695,042,810	8,785,259,151	18,480,301,961
Liabilities			
Currency in circulation	6,618,845,966	-	6,618,845,966
Deposit - banks and non-banks financial institutions	3,651,670,348	-	3,651,670,348
Deposit – Others	2,701,166,786	-	2,701,166,786
Foreign currency financial liabilities	2,300,452,450	-	2,300,452,450
Items in course of settlement	3,837,283	-	3,837,283
BOT liquidity papers	47,058,357	-	47,058,357
Other liabilities	61,352,648	-	61,352,648
Lease liability	1,719,083	-	1,719,083
IMF related liabilities	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	1,751,474,416
Total liabilities	16,420,543,845	1,751,474,416	18,172,018,261
Net Liquidity gap	(6,725,501,035)	7,033,784,735	308,283,700

(c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of movements in market interest rates. The price of marketable securities rises when market interest rates decline, and it falls if market rates rise. Interest rate risk increases with the maturity of a security. Interest rate risk on foreign assets is controlled through limits on the duration of these portfolios. Interest rate risk on Bank's assets is relatively low as most of the portfolio is held in short-term. As of 30 June 2023, portfolio duration stood at 1.39 years while that of 30 June 2022 was 2.15 years. The tables below show duration and other characteristics of all portfolios.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

(c) Interest rate risk (continued)

Portfolio Value-at-Risk

The Bank also uses Value-at-Risk (VaR) to measure and monitor interest rate risk. VaR is a probabilistic measure of risk, which provides an estimate of the maximum potential loss in the value of the Bank's positions due to adverse interest rate movements over a defined time horizon with a specified confidence level. The Bank applies a one-month time horizon and a 95 percent confidence level to calculate VaR. This means if the portfolio incurs loss under normal conditions, then there is 95 percent chance the maximum expected loss will not exceed the VaR amount. The amount of VaR for major currencies is as follows;

Details	30.06.2023		30.06.2022	
		95% VaR		95% VaR
		TZS '000		TZS '000
USD	6,105,370	14,216,144	36,355,678	83,779,665
GBP	524,845	1,222,084	1,846,786	5,206,993
AUD	199,097	463,591	2,619,207	4,224,470
CNY	280,890	654,042	11,326,332	3,932,577

Sensitivity to interest rate risk

For measuring the sensitivity of the Bank's foreign exchange reserves to interest rate risk, the portfolios are shocked with +/-1 percent parallel change in the respective government yield curves. The figures below show the effect on the Bank's profit and equity of a movement of +/-1 percentage point in interest rates, given the level, composition and modified duration of the Bank's foreign reserve as at 30 June 2023.

		30.06 2023		30.06 2022	
		TZS'000		TZS'000	
USD	(38,834,803)	(90,425,503)	(43,425,827.38)	(100,072,435)	
GBP	(2,473,235)	(5,758,842)	(3,051,900.81)	(8,604,800)	
CNH	(6,924,023)	(16,122,349)	(14,607,524.00)	(23,560,199)	
AUD	(1,441,345)	(3,356,123)	(1,243,207.09)	(431,650)	

Stress Testing

The Bank performs stress testing to analyse the resilience of its portfolios to extreme volatility changes caused by potential market events. Portfolios are simulated with extreme events which likely lead to high volatility in the market. The portfolios are shocked with past market events that exerted significant volatility in the market in order to estimate the potential decrease in income generated by the portfolio if the similar events are to re-occur. Likewise, the Bank applies interest rate shocks to the portfolio that stem from potential interest rate cut/hike by central banks in its investment universe. As bond prices have inverse relation with interest rate, portfolio values will increase when interest rate fall and decrease when interest rate rises. In that regard, interest rate increase of 20bps and 30bps and curve steepening by 50bps constitute the potential worst case scenarios whereas curve flattening by 50bps is considered as a positive scenario. The results of stress testing are provided in Table.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Amounts in USD equivalent

Worst case scenarios 2023	Portfolio			
	CNY	AUD	GBP	USD
Bear Market - SPX Down 20%, Oil down 20% and VIX Up 150%	(274,889.68)	183,879.23	409,553.10	16,947,193.87
Economic Slowdown	(283,780.65)	(110,543.58)	(270,323.30)	1,862,489.32
Debt Ceiling Crisis and Rating Downgrade	2,092,234.57	895,223.91	679,953.94	9,616,599.09
Oil price shock	(630,776.25)	178,395.39	136,644.19	5,051,353.67
Interest rate scenarios				
Interest rate up by 20 bps	(2,015,274.39)	(301,963.35)	(526,071.22)	(7,338,252.24)
Interest rate up by 30 bps	(3,020,501.93)	(448,816.22)	(787,964.97)	(10,989,041.80)
Curve Flattening by 50bps	3,517,713.09	650,005.85	1,071,164.99	16,467,028.90
Curve Steepening by 50bps	(3,480,538.47)	(640,832.47)	(1,058,900.60)	(16,265,314.16)

Worst case scenarios 2022	Portfolio			
	CNY	AUD	GBP	USD
Bear Market - SPX Down 20%, Oil down 20% and VIX Up 150%	168,719	12,370	502,516	4,322,210
Oil price shock (Brent Crude Oil trades at \$ 120 per barrel)	(631,589)	222,976	197,649	6,423,898
Ukrainian Protest & Civil unrest	7,710,256	212,691	618,208	7,704,999
Severe Economic Slowdown	(149,977)	(235,883)	83,283	(4,294,099)
Interest rate scenarios				
25 rate cut	2,401,748	461,929	886,886	10,096,844
25 rate hike	(2,374,386)	(457,568)	(879,262)	(11,003,859)
50 rate hike	(4,721,409)	(910,774)	(1,750,900)	(21,909,450)
100 rate hike	(9,333,368)	(1,804,103)	(3,471,303)	(43,425,827)

The results of stress testing provided in the above table indicate that except for CNY portfolio which is slightly vulnerable to high market volatility and extreme shocks in stocks and oil markets due to safe haven stance, other portfolios show high resilience to these shocks. Similarly, the interest rate scenarios indicate that all portfolios are likely to be worsen with potential interest rate increases nevertheless positive outcome under curve steeping scenario.

d) Currency Risk

The exchange rate risk (or currency risk) refers to the loss of the portfolio value or purchasing power of the portfolio occasioned by adverse foreign exchange rate movements. The Bank foreign reserves portfolio is denominated in a number of currencies whose exchange rates are subject to fluctuation on international foreign exchange market.

Based on the sensitivity of the ten per cent deviation of the exchange rate against major currencies the impact on the Banks profit and equity was TZS 746,252.0 million (2022: TZS 772,009.3 million).

The Bank is exposed to this risk in the context of its holding of foreign exchange reserves, intervention in the local inter-bank foreign exchange market (IFEM) and foreign exchange transactions in the international foreign exchange market. Often, currency exposures are not out rightly hedged, but the currency risk is controlled through a target currency composition whose criteria are specified in the Investment Policy and stated in the Investment Guidelines. The target currency composition attempts to match the composition of on and off balance sheet foreign denominated obligations, thereby managing adverse currency movement at the national level. The currency positions of the Bank as of 30 June 2023 and 2022, which provides the Bank's assets, liabilities and equity at carrying amounts, categorised by currency is summarised below.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

d) Currency Risk (continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
2023							
Assets							
Cash and balances with central banks & other banks	132,508,880	4,763,205,975	102,490,391	-	7,537,856	818,920,516	5,824,663,618
Escrow accounts	-	-	-	-	-	-	-
Items in course of settlement	-	-	-	-	11,650,010	-	11,650,010
Holdings of Special Drawing Rights (SDRs)	-	-	-	14,362,672	-	-	14,362,672
Quota in International Monetary Fund (IMF)	-	-	-	1,231,998,513	-	-	1,231,998,513
Foreign currency marketable securities	335,738,909	5,152,147,156	-	-	-	1,524,063,302	7,011,949,367
Equity investments	-	117,027,730	1,202,394	-	-	-	118,230,124
Government securities	-	-	-	-	2,081,966,776	-	2,081,966,776
Advances to the Government	-	-	-	-	4,384,438,958	-	4,384,438,958
Loans and receivables	-	14,600,000	-	-	299,677,199	-	314,277,199
Other assets (Excluding prepayments)	-	-	-	-	287,406,837	-	287,406,837
Total financial assets	468,247,789	10,046,980,861	103,692,785	1,246,361,185	7,072,677,636	2,342,983,818	21,280,944,074
Liabilities							
Currency in circulation	-	-	-	-	7,192,010,828	-	7,192,010,828
Deposits - banks and non-bank financial institutions	-	678,603,495	389,667	-	3,656,776,670	5,272,209	4,341,042,041
Deposits – Others	17,235,937	727,544,171	82,480,042	-	2,042,187,980	47,975	2,869,496,105
Items in course of settlement	-	383,604,261	-	-	-	-	383,604,261
Foreign currency financial liabilities	325,739	2,589,094,968	176,538,621	-	540,118	-	2,766,499,446
Repurchase agreements	-	-	-	-	125,034,465	-	125,034,465
BoT liquidity papers	-	-	-	-	546,150,669	-	546,150,669
Other liabilities	82,311	19,151,466	-	-	40,456,932	133,499	59,824,208
Lease liability	-	-	-	-	1,152,651	-	1,152,651
IMF related liabilities	-	-	-	-	1,047,028,240	-	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	-	-	-	1,782,136,232	-	-	1,782,136,232
Net liquidity gap	17,643,987	4,397,998,361	259,408,330	1,782,136,232	14,651,338,553	5,453,683	21,113,979,286
Scenario of 10% appreciation/(depreciation)	450,603,802	5,648,982,500	(155,715,545)	(535,775,047)	N/A	2,337,530,135	N/A
	45,060,380	564,898,250	(15,517,555)	(53,577,505)	N/A	233,753,013	N/A



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

d) Currency Risk (continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
2022							
Assets							
Cash and balances with central banks & other banks	66,973,786	3,046,606,761	56,467,842	-	1,684,202	1,299,380,081	4,471,112,672
Escrow accounts	-	11,278,779	-	-	-	-	11,278,779
Items in course of settlement	-	5,211,394	-	21,177,738	-	-	5,211,394
Holdings of Special Drawing Rights (SDRs)	-	-	-	1,217,187,495	-	-	21,177,738
Quota in International Monetary Fund (IMF)	-	-	-	-	-	-	1,217,187,495
Foreign currency marketable securities	307,748,188	5,154,128,478	-	-	-	2,145,023,808	7,606,900,474
Equity investments	-	110,640,285	1,080,743	-	-	-	111,721,028
Government securities	-	-	-	-	2,479,507,487	-	2,479,507,487
Advances to the Government	-	-	-	-	2,022,036,054	-	2,022,036,054
Loans and receivables	-	9,521,455	-	-	420,883,514	-	430,404,969
Other assets (Excluding prepayments)	-	-	-	-	108,975,266	-	108,975,266
Total financial assets	374,721,974	8,337,387,152	57,548,585	1,238,365,233	5,033,086,523	3,444,403,889	18,485,513,356
Liabilities							
Currency in circulation	-	-	-	-	6,618,845,966	-	6,618,845,966
Deposits - banks and non-bank financial institutions	-	716,595,965	-	-	2,927,634,895	7,439,488	3,651,670,348
Deposits - Others	16,421,506	863,998,787	51,701,977	-	1,768,974,015	70,500	2,701,166,785
Items in course of settlement	-	-	-	-	9,048,677	-	9,048,677
Foreign currency financial liabilities	294,283	2,122,373,424	175,825,106	-	1,959,637	-	2,300,452,450
BoT liquidity papers	-	-	-	-	47,068,357	-	47,068,357
Other liabilities	-	8,942,101	-	-	52,383,514	27,033	61,352,648
Lease liability	-	-	-	-	1,719,083	-	1,719,083
IMF related liabilities	-	-	-	-	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	-	-	1,751,474,416	-	-	1,751,474,416
	16,715,789	3,711,910,277	227,527,083	1,751,474,416	12,462,065,068	7,537,021	18,177,229,654



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost. A summary of significant accounting policies in Note 3 describes how classes of financial instruments are measured and how income and expenses, including fair value gains are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category:

2023	Amortised Cost TZS '000	FVTPL TZS '000	FVOCI TZS '000	Total TZS '000	Fair values TZS '000
Financial assets					
Cash and balances with central banks & other banks	5,824,663,618	-	-	5,824,663,618	5,824,663,618
Escrow accounts	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	14,362,672	-	-	14,362,672	14,362,672
Quota in International Monetary Fund (IMF)	1,231,998,513	-	-	1,231,998,513	1,231,998,513
Foreign currency marketable securities	-	684,285,210	6,327,661,157	7,011,946,367	7,011,946,367
Equity investment	-	-	118,230,124	118,230,124	118,230,124
Government securities	2,081,966,776	-	-	2,081,966,776	2,081,966,776
Advances to the Government	4,384,438,958	-	-	4,384,438,958	4,384,438,958
Loans and receivables	314,277,199	-	-	314,277,199	314,277,199
Other assets (Excluding prepayments)	287,406,837	-	-	287,406,837	287,406,837
	14,139,114,573	684,285,210	6,445,891,281	21,269,291,064	21,269,291,064
Financial liabilities					
Currency in circulation	7,192,010,828	-	-	7,192,010,828	7,192,010,828
Deposits - banks and non-banks financial institutions	4,341,042,181	-	-	4,341,042,181	4,341,042,181
Deposits - others	2,869,496,105	-	-	2,869,496,105	2,869,496,105
Items in course of settlement	383,604,261	-	-	383,604,261	383,604,261
Foreign currency financial liabilities	2,766,499,447	-	-	2,766,499,447	2,766,499,447
Repurchase agreements	125,034,465	-	-	125,034,465	125,034,465
BoT liquidity papers	546,150,669	-	-	546,150,669	546,150,669
Other liabilities	59,824,209	-	-	59,824,209	59,824,209
Lease Liability	1,152,651	-	-	1,152,651	1,152,651
IMF related liabilities	1,047,028,240	-	-	1,047,028,240	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	1,782,136,232	-	-	1,782,136,232	1,782,136,232
	21,113,979,288			21,113,979,288	21,113,979,288



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

2022	Amortised Cost TZS '000	FVTPL TZS '000	FVOCI TZS '000	Total TZS '000	Fair values TZS '000
Financial assets					
Cash and balances with central banks & other banks	4,471,112,672	-	-	4,471,112,672	4,471,112,672
Escrow accounts	11,278,779	-	-	11,278,779	11,278,779
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	21,177,737	21,177,737
Quota in International Monetary Fund (IMF)	1,217,187,495	-	-	1,217,187,495	1,217,187,495
Foreign currency marketable securities	-	680,292,383	6,926,608,090	7,606,900,473	7,606,900,473
Equity investment	-	-	111,721,028	111,721,028	111,721,028
Government securities	2,479,507,487	-	-	2,479,507,487	2,479,507,487
Advances to the Government	2,022,036,054	-	-	2,022,036,054	2,022,036,054
Loans and receivables	430,404,969	-	-	430,404,969	430,404,969
Other assets (Excluding prepayments)	108,975,267	-	-	108,975,267	108,975,267
	10,761,680,460	680,292,383	7,038,329,118	18,480,301,961	18,480,301,961
Financial liabilities					
Currency in circulation	6,618,845,966	-	-	6,618,845,966	6,618,845,966
Deposits - banks and non-banks financial institutions	3,651,670,348	-	-	3,651,670,348	3,651,670,348
Deposits - others	2,701,166,786	-	-	2,701,166,786	2,701,166,786
Items in course of settlement	3,837,283	-	-	3,837,283	3,837,283
Foreign currency financial liabilities	2,300,452,450	-	-	2,300,452,450	2,300,452,450
BoT liquidity papers	47,058,357	-	-	47,058,357	47,058,357
Other liabilities	61,352,648	-	-	61,352,648	61,352,648
Lease Liability	1,719,083	-	-	1,719,083	1,719,083
IMF related liabilities	1,034,440,924	-	-	1,034,440,924	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	1,751,474,416	-	-	1,751,474,416	1,751,474,416
	18,172,018,261	-	-	18,172,018,261	18,172,018,261



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY

(a) Financial instruments recorded at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market condition at the measurement date. The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

(i) Foreign currency marketable securities

The marketable securities are quoted in active markets. The valuation techniques are based on quoted prices in active markets for identical assets.

(ii) Fair value of derivatives

The Bank values over the counter derivative instruments like swaps using a valuation technique with market-observable inputs. Swap models use present value calculations and include market determined foreign exchange rates. For listed derivatives like futures, the Bank uses prices quoted in the active markets. Long dated derivative contracts are valued using a valuation technique with significant non-market-observable. These derivatives are valued using models that calculate the present value and incorporate various non-observable assumptions that include market rate volatilities.

(iii) Unquoted equities securities

These Investments are valued using the market approach. The inputs to this methodology are observable inputs based on recent transactions. The data used were from recently published accounts of these entities. These were then corroborated to arrive at the fair values at the reporting date.

(b) Fair value of financial assets and liabilities not carried at fair value

Below are the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

(i) Assets and liabilities for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to cash and cash equivalent, escrow accounts, items in course of settlements, deposits, repurchase agreements and BoT liquidity papers and other liabilities without a specific maturity.

(ii) Government securities

The fair value of Government securities carried at amortised cost is estimated by discounting the future cash flows using the market interest rates of similar instruments.

(c) Fair value of financial assets and liabilities

Financial instruments are grouped into 3 levels based on the degree to which fair value data / input is observable.

(i) **Level 1 fair value measurements:** are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities. This level includes listed debt instruments on exchanges for example Foreign Currency Marketable securities.

(ii) **Level 2 fair value measurements:** are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

Input data for this category is sourced mainly from Bloomberg and the Dar es Salaam Securities Exchange.

(iii) Level 3 fair value measurements: are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Fair value hierarchy

The following table analyses within the value hierarchy the Bank are measured at fair value as at:

30.06.2023

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	7,011,946,367	-	-
Government securities	-	2,081,966,776	-
Equity investments	-	118,230,124	-
Total	7,011,946,367	2,200,196,900	-

30.06.2022

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	7,606,900,473	-	-
Government securities	-	2,479,507,487	-
Equity investments	-	111,721,028	-
Total	7,606,900,473	2,591,228,515	-

There were no transfers between levels 1, 2 and 3 in the period. If below observable inputs to valuation model were 10 per cent higher or lower while other variables were held constant, carrying amount of TZS 7,011,946.4 million, TZS 2,081,966.8 million and TZS 118,230.1 million for Foreign Currency Marketable Securities, Government Securities and Equity Investments would have been higher or lower by TZS 7,606,90 million, TZS 2,479,507.4 million and TZS 111,72.1 million respectively. Swap would change by 6,354.8 million respectively.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

The following table gives information about how the fair value of these financial assets and liabilities are determined.

	Fair value at		Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2023 TZS '000	2022 TZS '000				
Foreign currency marketable securities (Excluding futures)	7,011,946,367	7,606,900,780	1	Prices of listed securities	N/A	N/A
Government securities	2,081,966,776	2,479,507,487	2	Prices of the similar securities in the active market.		
Equity investments	118,230,124	111,721,028	2	Prices of recent transactions	N/A	N/A
Derivatives:						
Swap Asset/(Liability)	(6,354,832.47)	32,744.7	2	Discounted Cash-flows, using market exchange and interest rate	N/A	N/A
Futures Liability	-	(25.7)	1	Quoted prices	N/A	N/A

The following table analyses within the fair value hierarchy the Bank's assets and liabilities not measured at fair value with exception of foreign currency marketable securities.

2023	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Assets				
Cash and balances with central banks & other banks	5,824,663,618	-	-	5,824,663,618
Escrow accounts	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	-	14,362,672	-	14,362,672
Quota in International Monetary Fund (IMF)	-	1,231,998,513	-	1,231,998,513
Foreign currency marketable securities	7,011,946,367	-	-	7,011,946,367
Equity investment	-	118,230,124	-	118,230,124
Government securities	-	2,081,966,776	-	2,081,966,776
Advances to the Government	-	4,384,438,958	-	4,384,438,958
Loans and receivables	-	314,277,199	-	314,277,199
Other assets (Excluding prepayments)	-	287,940,235	-	287,940,235
	12,836,609,985	8,433,214,477	-	21,269,824,462
Liabilities				
Currency in circulation	-	7,192,010,828	-	7,192,010,828
Deposits - banks and non-banks financial institutions	-	4,341,042,180	-	4,341,042,180
Deposits – others	-	2,869,496,105	-	2,869,496,105
Foreign currency financial liabilities	-	2,766,499,447	-	2,766,499,447
Repurchase agreements	-	125,034,465	-	125,034,465
BoT liquidity papers	-	546,150,668	-	546,150,668
Other liabilities	-	59,824,209	-	59,824,209
IMF related liabilities	-	1,047,028,240	-	1,047,028,240
Allocation of Special Drawing Rights (SDRs)	-	1,782,136,232	-	1,782,136,232
	-	20,729,222,374	-	20,729,222,374



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

Fair value hierarchy (Continued)

2022	Level 1	Level 2	Level 3	Total
Assets	TZS '000	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,471,112,672	-	-	4,471,112,672
Escrow accounts	-	11,278,779	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	-	21,177,737	-	21,177,737
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	1,217,187,495
Foreign currency marketable securities	7,606,900,473	-	-	7,606,900,473
Equity investment	-	111,721,028	-	111,721,028
Government securities	-	2,479,507,487	-	2,479,507,487
Advances to the Government	-	2,022,036,054	-	2,022,036,054
Loans and receivables	-	430,404,969	-	430,404,969
Other assets (Excluding prepayments)	-	108,975,267	-	108,975,267
	12,078,013,145	6,402,288,816	-	18,480,301,961
Liabilities				
Currency in circulation	-	6,618,845,966	-	6,618,845,966
Deposits - banks and non-banks financial institutions	-	3,651,670,348	-	3,651,670,348
Deposits – others	-	2,701,166,786	-	2,701,166,786
Foreign currency financial liabilities	-	2,300,452,450	-	2,300,452,450
BoT liquidity papers	-	47,058,357	-	47,058,357
Other liabilities	-	61,352,648	-	61,352,648
IMF related liabilities	-	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	-	1,751,474,416
	-	18,166,461,895	-	18,166,461,895

43 RETIREMENT BENEFIT PLAN

Defined Benefit Plan

The Bank operates a funded lump sum end of service and Long Service Award Benefit Fund. The Scheme was registered effective 13 April 2017 by Social Security Regulatory Authority. Under the plan employees are entitled to benefits upon meeting requirements as stipulated in the Bank's Financial Regulations, Staff Bylaws, and the Staff Benefit Fund Scheme deed and rules.

The plan provides benefits of a defined benefit nature. Therefore, one of the main risks relating to the benefits under the Scheme is the rates of salary growth. As most of the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme.

Similarly, any increases to the fixed lump sum amounts that differ from the assumed escalation rates for these amounts will also have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme. The plan typically exposes the Bank to actuarial risks such as: investment risk, interest rate risk,



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Investment Risk	The present value of the defined benefit obligations is calculated using a discount rate determined by the yield on long term Government bond. The higher the discount rate the lower the defined benefits obligations payable by the Bank.
Interest Rate Risk	A decrease in the long term government bond interest will increase the plan liability.
Longevity Risk	The present value of the defined benefits obligations is calculated by reference to the best estimate of the mortality rate of plan members both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefits obligations is calculated by reference to the future salaries of the members. As such a change in the salary of the members will result to change in the plan's liability.

Actuarial valuation of the Scheme was carried out for the year ended 30 June 2023 by NYUX Tanzania Company LTD based in Tanzania. The principal assumptions used for the purposes of valuation included discount rate, expected return on Scheme assets, future salary increase, mortality rate, withdrawals, Ill-health and compulsory retirement age as per the table hereunder:

Actuarial Assumptions

	<u>30.06.2023</u>	<u>30.06.2022</u>
Discount rate (% p.a.)	9.85%	9.33%
Non-Executives - Future salary increases (% p.a.)	4.0%	4.0%
Executives - Future salary increases (% p.a.)	0.0%	0.0%
Mortality (pre-retirement)	A1949-1952	A1949-1952
Mortality (post-retirement)	n/a	n/a
Withdrawals (voluntary or Ill - health)	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement Age*	60 years. Assumed that 10% of members retire early at age 55.	60 years. Assumed that 10% of members retire early at age 55.

As per the fund operations and valuation, the movements in the present value of defined benefit obligation in the current year were as follows:

	<u>30.06.2023</u> <u>TZS '000</u>	<u>30.06.2022</u> <u>TZS '000</u>
Opening benefit obligation	132,232,703	118,825,235
Current service costs	4,851,394	5,135,879
Past service cost	-	3,198,120
Interest cost	12,337,311	11,955,799
Employee contribution	537,186	529,482
Actuarial loss in experience	614,964	9,077,718
Actuarial (gain)loss in assumptions	(998,293)	4,539,470
Benefits paid	(26,393,318)	(21,029,000)
Closing benefits obligation	123,181,947	132,232,703



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Reconciliation on plan asset in the current year with the comparative figures are as per the below table

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Opening market value of assets	(113,786,952)	(104,989,528)
Interest income on plan assets	(10,616,213)	(10,313,694)
Employer contributions	(18,445,850)	(13,835,705)
Employee contribution	(537,186)	(529,482)
Return on plan assets*	(4,166,719)	(5,147,443)
Benefits paid	26,393,318	21,029,000
Closing market value of the assets	<u>(121,159,602)</u>	<u>(113,786,852)</u>

* Return on plan asset, excludes amount in interest income

A summary of the distribution of the Scheme assets as at 30 June 2023, based on the Scheme management accounts, is shown in the table below;

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Cash	-	1,535,584
Treasury Bonds FV plus accrued Interest	119,174,014	108,898,641
Treasury Bills plus accrued Interest	2,349,540	3,380,574
SBF receivables	-	5,643
Retirement Benefits Payable	(363,952)	(33,590)
Net Assets	<u>121,159,602</u>	<u>113,786,852</u>

Being a funded Scheme, the defined obligation/(asset) is presented in net terms after consideration of the Scheme assets as per the below;

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Present value of funded obligations	123,181,947	132,232,703
Fair value of Scheme assets	(121,159,602)	(113,786,852)
Present value of net obligation/ (asset) recognized in the balance sheet	<u>2,022,345</u>	<u>18,445,851</u>

Included in the computation are benefit plan expenses which are recognized in the Statement of Profit or Loss statement. Below are the components:

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Service cost		
Current service cost net of employees' contributions	4,851,394	5,135,879
Past service cost	-	3,198,120
Total Service Cost	<u>4,851,394</u>	<u>8,333,999</u>
Interest Income		
Interest cost on defined benefit obligation	12,337,311	11,955,799
Interest income on plan assets	(10,616,313)	(10,313,694)
Net Interest income on Balance Sheet Asset	<u>1,720,998</u>	<u>1,642,105</u>
Total included in profit or loss in respect of Scheme	<u>6,572,392</u>	<u>9,976,104</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Re-measurement on defined benefit are measured through other comprehensive Income and it is composed of the below;

Re-measurements (OCI)	30 06 2023	30.06.2022
	TZS '000	TZS '000
Actuarial loss – due to change in Assumptions	614,964	9,077,718
Actuarial (gain) loss - experience adjustment	(988,293)	4,539,470
Return on plan assets (excluding amount in interest cost)	(4,176,719)	(5,147,443)
Amount recognised in OCI statement for the financial year	(4,550,048)	8,469,745

Development of net obligation

	30.06.2023	30.06.2022
	TZS '000	TZS '000
Net obligation at the beginning of the year	18,445,851	13,835,705
Net expenses recognized in the income statement	6,572,392	9,976,104
Amount recognized in OCI	(4,550,048)	8,469,747
Settlement/Employer's contribution	(18,445,850)	(13,835,705)
Net liability at end of period	2,022,345	18,445,851

Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount and salary used, the actuarial valuation has relied on the duration of the liability. Weighted average duration of the liability as at 30 June 2023 is 5 years (2022: 5 years). Based on this methodology, below are the results of the sensitivity analysis

As at June 2023

Assumptions	<i>Result on Financial assumptions</i>	
	<i>Impact of 1.0% increase</i>	<i>Impact of 1.0% decrease</i>
	TZS '000	TZS '000
Discount Rate (fall)/rise	(4,265,511)	5,238,123
Salary increase rise/(fall)	4,389,223	(3,546,254)
<i>Results on Demographic assumptions</i>		
Early Retirement Rate rise/(fall)	172,911	(196,757)
Withdrawal Rate rise/(fall)	772,249	(494,195)

As at June 2022

Assumptions	<i>Result on Financial assumptions</i>	
	<i>Impact of 1.0% increase</i>	<i>Impact of 1.0% decrease</i>
	TZS '000	TZS '000
Discount Rate (fall)/rise	(5,434,898)	5,489,561
Salary increase rise/(fall)	3,077,898	(3,170,595)
<i>Results on Demographic assumptions</i>		
Early Retirement Rate rise/(fall)	271,583	(314,289)
Withdrawal Rate rise/(fall)	1,015,949	(687,760)



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

As at June 2023

Since the bulk of benefits payable under the arrangement are salary related, the sensitivity of a liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liability. In this case long service awards would not be affected by a change in the salary escalation rate as the amount is fixed does not relate to salary.

Effect on Bank's cash flow

The benefits arrangement is funded, and the Bank pays benefits from the defined benefit obligation as and when they arise. The timing of the benefit payments from the arrangement will be influenced by the age at which employees leave the Bank.

Defined benefits profile

The maturity profile of the present value of define benefit obligation at valuation date for the next five years presented in the table below excludes benefits payable to top management.

Maturity Profile of the Defined Benefit Obligation is as per below;

	Up to 1 yr. TZS '000	1-2 yrs. TZS '000	2-3 yrs. TZS '000	3-4 yrs. TZS '000	5 yrs. and above TZS '000
30 June 2023	12,774,909	12,759,054	12,000,351	10,587,859	75,059,773
30 June 2022	21,468,566	11,926,719	12,529,924	10,397,018	75,910,474

Separation of benefits payable between vested and non-vested benefits resulted to TZS 109,840.8 million (30 June 2022: TZS 117,856.8 million) and TZS 13,341.1 million (30 June 2022: TZS 14,375.9 million) respectively.

44 CAPITAL

Section 17 of the Bank of Tanzania Act, 2006 states that "the authorised capital of the Bank shall be one hundred billion shillings, provided that it may be increased by such amount as may be determined by the Board, and authorised by the Minister, by Notice published in the Government Gazette."

The capital of the Bank is subscribed and held only by the Government of the United Republic of Tanzania. The equity of the Bank includes share capital and reserves. During the year, movement of equity is as shown below and further details are provided in the statement of changes in owners' equity on page 42.

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
Capital	100,000,000	100,000,000
Reserves	1,239,810,084	1,331,869,671
Total	<u>1,339,810,084</u>	<u>1,431,869,671</u>

The Bank is not subject to any capital adequacy regulatory requirements concerning the level of capital in relation to assets it holds, although the Bank of Tanzania Act, 2006 sets out how the statutory annual net profit for the year shall be allocated. The principal source of capital increase is through appropriations of annual profits to various reserves.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

The Bank is not for profit organisation, nor does it seek profit maximisation. Instead it seeks to make profit commensurate with normal market returns in areas where it conducts normal commercial operations.

Capital is not actively managed and the relative low risk nature of most of the Bank's activities means that it is not capital intensive. Its purpose is to cover unexpected losses. The most significant unexpected losses are likely to rise out of the support operations and the Bank's role as the lender of last resort, or from losses on price movements and changes in exchange rates on the Bank's foreign investments.

45 CONTINGENT LIABILITIES

Contingent liabilities arise in the normal course of the Bank's business activities. In order to meet the financial needs of the government, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

(a) External payment arrears deposit account

In the ordinary course of business, the Bank is subject to threatened or actual legal proceedings. All such material cases are periodically reassessed to determine the likelihood of the Bank incurring a liability. In those instances, where it is concluded that it is more likely that a payment will be made, a provision is established to management's best estimate of the amount required to settle the obligation at the relevant statement of financial position date. In some cases, it will not be possible to form a view, either because the facts are unclear or because further time is needed to properly assess the merits of the case and no provisions are held against such cases. However, the Bank does not currently expect the final outcome of any such case to have a material adverse effect on its financial position.

During the 1970s and 1980s, there was a shortage of foreign currencies in the country, which required the Government to control and prioritise foreign payments (forex). Tanzania importers were required to remit equivalent amount of TZS with the then National Bank of Commerce (NBC) for the required amount of forex and subject to availability of forex and priority, the forex amount would be remitted to the intended overseas suppliers.

However due to the forex shortage not all funds deposited with the then NBC by private and public importers were remitted to the overseas suppliers' accounts.

In 1985, the Government of the United Republic of Tanzania formally assumed the responsibility of handling liabilities arising from External Payment Arrears deposit account (EPA) from the then NBC. The Bank was given the responsibility to manage EPA liabilities on behalf of the Government of the United Republic of Tanzania. As at 30 June 2023 the balance in this liability account has remained at the same level as it was in the previous year of TZS 2,288.4 million since the Bank has suspended all transactions relating to EPA pending reconciliation and resolution of the remaining external payment arrears. In order to undertake the reconciliation and resolution of the remaining balance, on 14 April 2009 the Bank engaged a consultant, M/S Lazard Freres's & CIE to assist in the process.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

45 CONTINGENT LIABILITIES (CONTINUED)

The objectives of the exercise were:

- (i) To ascertain how the remaining debt as at 2004 has been handled.
- (ii) To compile and establish the current stock of the remaining EPA debts.
- (iii) To develop, jointly with the Ministry of Finance and Planning and Bank of Tanzania, a strategy and action plan to handle the unsettled claims.

The consultant submitted an inception report in August 2009 which was not accepted by the Bank.

Further, the original contract expired on 14 January 2010 while the consultant was yet to provide the expected contract deliverables. Subsequent follow ups on the matter with the consultant's assignment proved futile. Due to non-responsiveness of the consultant to the Bank's subsequent follow ups, on 25 July 2011, the Bank wrote to the World Bank to seek for their advice on the way forward, which was not provided.

On 25 August 2011, the consultant wrote to the Bank demanding renewal of the expired contract; to include:

- (i) Upward revision of the price of the contract to USD 843,700 from the original amount of USD 663,950;
- (ii) Implicitly complaining for not being paid initial fee amounting to USD 175,000 after submitting inception report; and
- (iii) Revising some items on the original contract.

Based on the original contract, the consultant would have been paid initial fee after submitting an inception report that is acceptable to the client. However, the earlier submitted report fell short of the required standard and the consultant was notified.

On 14 April 2012, the Bank officially informed the consultant about the expired contract and that the Bank had no intention to renew the same.

The consultant was further informed that since the inception report that was submitted in August 2009 was not accepted by the client, there is no any accrued liability to the Bank.

The Bank's further efforts to solicit detailed information from the World Bank on work that was done by M/S Lazard Freres during the Debt Buyback Scheme that ended in year 2004 have proved futile. The efforts were aimed at obtaining information that would have paved way for another consultant to be engaged to perform the assignment. The Bank later sought legal advice on how to bring EPA to a close. On the basis of legal advice that was obtained, and following a Board of Directors Resolution, on 20th November 2012 the Bank officially wrote to the Minister for Finance to transfer operations and management of the External Payment Arrears Account and public debt back to the Ministry of Finance and Planning. The transfer was in line with the Bank's program for shedding-off non-core activities.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

45 CONTINGENT LIABILITIES (CONTINUED)

(b) Export credit guarantee scheme (ECGS)

The Bank is an agent of the Government on the operationalisation of the Export Credit Guarantee Scheme. The scheme is charged with the responsibility of considering guarantee applications from financial institutions, and on behalf of the Principal, issue guarantees to financial institutions covering short and long term finance to exporters as long as the capital funds in the ECGS accounts are not leveraged more than 1:5. As a result there is a contingent liability under this scheme in respect of guarantees, limited to five times the balance of the Fund in accordance with the agency agreement in force.

(c) Small and medium enterprises - credit guarantee schemes

The Bank operates this scheme by issuing guarantees on behalf of the Government to financial institutions covering medium and long-term finance to SMEs on a pilot as long as the capital funds in the CGS-SME accounts are not leveraged more than 1:3. There is a contingent liability under this scheme in respect of guarantees, limited to three times the balance of the Fund in accordance with the Agency agreement in force. As at 30 June 2022, there was no outstanding guarantees as it was for the period ended June 2021. As the result on 30 June 2023, the fund had a net cash balance of TZS 24.4 million (2022: TZS 695.6 million)

46 OUTSTANDING COMMITMENTS

Capital commitments

As at 30 June 2023, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 49,098,403million (2022: 61,510.8 million).

The major capital expenditure commitments item is as reflected herewith below

<u>Particulars</u>	<u>30.06.2023</u> <u>TZS '000</u>	<u>30.06.2022</u> <u>TZS '000</u>
Office buildings	0	420,000
Residential buildings	5,726,000	1,077,567
Machinery and equipment	9,872,781	23,522,117
Information, communication and technology (ICT)	8,414,893	12,291,013
Motor vehicles	21,665,783	18,270,724
Furniture and fittings	1,001,500	1,169,145
Intangible assets	703,446	215,168
On-going projects	1,714,000	4,545,031
Total	<u>49,098,403</u>	<u>61,510,765</u>

The above commitments have been included and approved for payment in accordance with the 2023/2024 Approved Budget Estimates.

Post employment benefits

Effective July 2008, the Bank has a medical insurance arrangement, which covers retired employees and their spouses. At the reporting date the Bank had insurance commitment amounting to TZS 1,943.6 million (2022: TZS 1,495.9 million) involving retired staff with their spouses who retired since financial year 2009/10.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

47 RELATED PARTY DISCLOSURES

In the course of its operations, the Bank enters into transactions with related parties, which include the Government of the United Republic of Tanzania, the ultimate shareholder of the Bank, the Deposit Insurance Fund and key management personnel. The related party transactions during the year are as follows:

(a) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank's key management personnel are the Governor, Deputy Governors', Non-Executive Directors and Directors.

The Bank extends loans facilities to the Governor, the Deputy Governors and its members of staff. Loans and receivables (**Note 24**) included advances to employees that as at 30 June 2023 amounted to TZS 79,339.0 million (2022: TZS 76,626.2 million). The advances are granted at rates of interest determined by the Bank presently at 5 percent fixed over the period of the loan.

The following is the breakdown of loans and emoluments granted to key management personnel except Non-Executive Directors.

	<u>30.06.2023</u> TZS '000	<u>30.06.2022</u> TZS '000
i) Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)		
At start of the year	1,593,340	2,088,637
Loans granted during the year	669,681	487,155
Loans repaid during the year	(167,989)	(982,452)
Balance end of the year	<u>2,095,032</u>	<u>1,593,340</u>
ii) Emoluments to Senior Management Personnel (Governor, Deputy Governors and Directors)		
	TZS '000	TZS '000
Salaries, allowances and benefits	4,583,765	4,312,182
Post-employment benefits	3,770,541	3,868,198
Total	<u>8,354,306</u>	<u>8,180,380</u>

In accordance with Section 15 of the Bank of Tanzania Act, 2006, remuneration of the Governor and Deputy Governors is determined by the President of the United Republic of Tanzania. The Board determines remuneration of Directors including Secretary to the Bank. As at 30 June 2023, the number of Senior management personnel was 27 (2022: 26).

Directors' remunerations

During the year ending 30 June 2023, emoluments paid to the members of the Board amounted to TZS 92.1 Million (2022: TZS 121.9 million). These emoluments include benefits of Non - Executive Directors. Non-Executive Directors are not entitled to loans and advances.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

47 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Government of the United Republic of Tanzania

- (i) Transactions entered into with the Government include:
 - (ii) Government deposits. There are no interest and bank charges on deposits;
 - (iii) Cost sharing of liquidity management cost arising from issue and redemption of liquidity papers and Repurchase Agreements in accordance with the memorandum of understanding in force;
 - (iv) Settlement of foreign currency denominated obligations;
 - (v) Financial accommodation on temporary short falls in Government revenue;
- Other duties including agency of the Government as provided under the Bank of Tanzania Act, 2006.

As at the close of business on 30 June 2023, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	<u>30.06.2023</u>	<u>30.06.2022</u>
	TZS '000	TZS '000
Due from Governments of Tanzania (Note 23 and 33)	4,384,438,958	2,022,036,054
Investments in Government Securities (Note 22)	2,081,966,776	2,479,507,487
Structured Financing Facility (Note 34)	96,966,195	91,088,382
Export Credit Guarantee Fund (Note 34)	456,643	2,337,533
Small and Medium Enterprises Guarantee Fund (Note 34)	24,422	695,604

The above Schemes are administered by the Bank on behalf of the Government of the United Republic of Tanzania. Funds are deposited with the Bank and no interest is paid on these balances.

The Governments of Republic of Tanzania (URT) and Revolutionary Government of Zanzibar (RGZ) deposits are governments funds held by the Bank as Governments' bank.

(c) Deposit Insurance Fund Board

The Bank has a close working relationship with the Deposit Insurance Board, an entity incorporated under the Banking and Financial Institution Act, 1991 (as amended 2006). The Bank provides it with staff, subvention and office accommodation.

During the year, the Bank contribution to the Deposit Insurance Board amounting to TZS 2,762.2 million (2022: TZS 2,516.1 million). The balance outstanding from the Fund included under Deposit Others as at 30 June 2023 was TZS 1,759.1 million (2022: TZS 39,125.3 million).

48 EVENT AFTER THE REPORTING DATE

There was no event after reporting period that had material impact to the financial statements.



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PART VI

CALENDAR OF IMPORTANT MONETARY AND FINANCIAL EVENTS

JULY 2022 TO JUNE 2023



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20th June 2023: The Bank issued a public notice in dealing with foreign currency within the United Republic of Tanzania. The notice prohibited domestic payments for goods and services using foreign currencies between residents of the United Republic of Tanzania.

31st May 2023: The Bank issued a circular increasing the minimum threshold for retail transactions in the interbank foreign exchange market quote prices from USD 250,000 to USD 1,000,000 and the Net Open Position limit from 7.5 percent to 10 percent.

23rd May 2023: The Bank transferred assets and liabilities of Yetu Microfinance Bank to NMB Bank Plc in accordance to the powers vested to the Bank under section 58(2)(h) of the Banking and Financial Institutions Act, 2006.

3rd March 2023: The Bank held the 8 Gilmanth Rutihinda Memorial Lecture in honour of the late Gilman Rutihinda, the third Governor of the Bank of Tanzania, for his outstanding contribution to economic policies and development.

8th January 2023: Mr. Emmanuel M. Tutuba assumed office as the 8th Governor, of the Bank of Tanzania, replacing Prof. Florens D.A.M.Luoga after completion of term of office.

1st January 2023: Mr. Julian B. Raphael was re-appointed as Deputy Governor, Administration, and Internal Controls.

12th December 2022: The Bank placed Yetu Microfinance Bank Plc under statutory administration due to failure to meet regulatory liquidity and capital requirements.

25th October 2022: Bank issued the Guidelines on Climate-Related Financial Risks Management for Banks and Financial Institutions, 2022.

23rd September 2022: Bank issued the Banking and Financial Institutions (Financial Leasing) Regulations, 2022.

16th September 2022: Bank issued the Banking and Financial Institutions (Mortgage Refinance Companies) Regulations, 2022.

11th August 2022: The Bank approved a change of banking license for Mwanga Hakika Microfinance Bank from microfinance bank to commercial bank category. The bank changed its name to Mwanga Hakika Bank Limited.

6th July 2022: The Bank approved the acquisition of First National Bank Tanzania Limited by Exim Bank Tanzania Limited.



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PART VII

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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.1: Gross Domestic Product by Activity at Current Prices

Activity	2017	2018	2019	2020	2021 ^f	2022 ^p
	Millions of TZS					
Agriculture, hunting and forestry	34,142,496.5	33,916,200.6	36,447,870.9	38,760,376.6	41,851,195.6	44,670,628.0
Crops	19,712,861.9	19,060,477.7	20,066,646.1	21,920,176.5	23,549,768.6	25,580,489.6
Livestock	8,867,809.7	9,251,173.0	10,357,287.1	10,622,498.6	11,269,819.6	11,479,664.5
Forestry and hunting	3,313,764.6	3,383,160.1	3,641,955.5	3,720,575.5	4,191,340.5	4,603,883.1
Fishing	2,248,060.4	2,221,389.8	2,381,982.2	2,497,125.9	2,840,266.9	3,006,590.9
Industry and construction	29,735,584.4	33,422,366.2	37,269,750.2	42,549,256.2	45,762,017.6	52,700,656.5
Mining and quarrying	5,206,217.1	6,455,878.2	7,164,221.5	9,867,293.3	11,471,365.0	15,430,905.8
Manufacturing	9,102,281.7	9,811,013.0	10,512,033.8	11,207,276.1	11,237,325.2	12,157,759.8
Electricity supply	413,350.5	345,774.7	369,917.1	398,084.3	378,691.1	248,139.4
Water supply, sewerage, waste management	519,909.3	554,536.3	590,324.2	635,959.0	746,403.4	893,174.5
Construction	14,493,825.8	16,255,163.9	18,633,253.5	20,440,643.5	21,928,232.9	23,970,677.1
Services	45,065,892.3	46,855,882.8	50,912,264.8	53,994,407.8	57,385,569.5	60,146,728.9
Wholesale and retail trade; and repairs	10,842,803.1	11,047,690.9	12,246,191.9	12,931,133.3	13,570,247.5	13,532,026.4
Transport and storage	7,897,993.1	8,381,276.3	9,622,792.0	10,701,520.4	10,860,302.5	11,397,028.3
Hotels and restaurants	1,602,543.2	1,653,791.9	1,680,221.9	1,371,161.0	1,601,505.5	1,892,458.9
Information and communication	1,829,355.8	1,948,179.6	2,052,241.8	2,196,753.2	2,375,155.4	2,605,849.2
Financial and insurance activities	4,789,631.8	4,823,101.0	4,927,613.3	5,013,181.4	5,380,248.9	5,498,732.5
Real estate	3,334,170.7	3,553,629.7	3,869,527.8	4,348,617.9	4,581,584.5	4,877,501.1
Professional, scientific and technical activities	726,706.5	711,807.3	753,302.1	822,440.1	1,088,001.6	1,175,441.9
Administrative and support service activities	3,027,383.8	3,078,144.8	3,340,939.4	3,692,864.1	4,022,126.8	4,297,339.3
Public administration and defence	4,986,287.4	5,131,630.0	5,354,892.6	5,530,737.9	5,875,519.3	6,243,145.9
Education	2,864,290.0	3,081,718.3	3,322,028.2	3,440,524.7	3,649,123.8	3,838,330.3
Human health and social work activities	1,681,353.3	1,816,737.8	1,932,963.6	2,060,599.6	2,213,486.0	2,392,940.3
Arts, entertainment and recreation	322,352.9	374,923.9	427,886.8	416,049.3	513,448.4	623,720.7
Other service activities	959,148.4	1,037,687.4	1,140,417.1	1,217,189.5	1,358,754.3	1,465,396.3
Activities of households as employers	201,872.3	215,563.8	241,246.3	251,635.5	296,064.8	306,817.7
All economic activities	108,943,973.2	114,194,449.7	124,629,885.9	135,304,040.6	144,998,782.7	157,518,013.4
Taxes on products	9,787,724.2	9,794,956.0	9,753,960.1	10,125,604.5	11,376,505.4	12,737,609.6
GDP at market prices	118,731,697.4	123,989,405.7	134,383,845.9	145,429,645.1	156,375,288.1	170,255,623.0
Population	51.0	52.6	54.3	55.9	57.7	59.9
Per capita nominal GDP	2,327,144.5	2,452,405.6	2,573,324.4	2,601,603.7	2,708,999.0	2,844,641.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.2: Gross Domestic Product (GDP) by Activity, Percentage Share in Total GDP at Current Prices

Activity	2017	2018	2019	2020	2021 ^r	2022 ^p
						Percent
Agriculture, Hunting and Forestry	28.8	27.4	27.1	26.4	26.1	26.2
Crops	16.6	15.4	14.9	15.1	14.6	15.0
Livestock	7.5	7.5	7.7	7.0	7.0	6.7
Forestry and hunting	2.8	2.7	2.7	2.6	2.8	2.7
Fishing	1.9	1.8	1.8	1.6	1.8	1.8
Industry and construction	25.0	27.0	27.7	29.7	29.6	31.0
Mining and quarrying	4.4	5.2	5.3	6.6	7.2	9.1
Manufacturing	7.7	7.9	7.8	8.3	7.8	7.1
Electricity supply	0.3	0.3	0.3	0.3	0.2	0.1
Water supply, sewerage, waste management	0.4	0.4	0.4	0.5	0.5	0.5
Construction	12.2	13.1	13.9	14.1	13.8	14.1
Services	38.0	37.8	37.9	36.5	36.5	35.3
Wholesale and retail trade; repairs	9.1	8.9	9.1	8.6	8.7	7.9
Transport and storage	6.7	6.8	7.2	7.4	7.1	6.7
Hotels and restaurants	1.3	1.3	1.3	1.0	1.1	1.1
Information and communication	1.5	1.6	1.5	1.5	1.5	1.5
Financial and insurance activities	4.0	3.9	3.7	3.5	3.4	3.2
Real estate	2.8	2.9	2.9	2.8	2.8	2.9
Professional, scientific and technical activities	0.6	0.6	0.6	0.7	0.7	0.7
Administrative and support service activities	2.5	2.5	2.5	2.6	2.7	2.5
Public administration and defence	4.2	4.1	4.0	3.7	3.6	3.7
Education	2.4	2.5	2.5	2.3	2.3	2.3
Human health and social work activities	1.4	1.5	1.4	1.4	1.4	1.4
Arts, entertainment and recreation	0.3	0.3	0.3	0.3	0.3	0.4
Other service activities	0.8	0.8	0.8	0.8	0.8	0.9
Activities of households as employers	0.2	0.2	0.2	0.2	0.2	0.2
All economic activities	91.8	92.1	92.7	92.7	92.3	92.5
Add Taxes on products	8.2	7.9	7.3	7.3	7.7	7.5
Total GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.3: Gross Domestic Product by Activity at Constant 2015 Prices

	Millions of TZS					
Activity	2017	2018	2019	2020	2021 ^r	2022 ^p
Agriculture, hunting and forestry	28,008,976.2	29,504,235.8	30,802,622.4	32,323,672.8	33,588,777.4	34,711,276.9
Crops	14,895,621.8	15,679,337.7	16,372,350.9	17,196,814.9	17,818,275.8	18,295,699.5
Livestock	7,876,591.6	8,276,692.0	8,687,237.9	9,119,558.7	9,574,892.2	10,054,947.1
Forestry and hunting	3,180,379.3	3,339,085.2	3,499,684.4	3,612,827.3	3,739,795.4	3,857,005.8
Fishing	2,020,292.5	2,209,120.9	2,243,349.2	2,394,471.9	2,455,814.1	2,503,624.4
Industry and construction	28,565,774.0	31,344,128.1	34,976,981.7	37,545,171.6	39,577,999.5	41,750,203.6
Mining and quarrying	4,588,623.9	4,659,195.2	5,485,112.4	5,887,451.7	6,442,881.3	7,146,141.4
Manufacturing	8,889,818.0	9,623,500.7	10,184,558.4	10,646,278.5	11,155,761.8	11,624,144.0
Electricity supply	877,666.6	928,174.5	994,879.2	1,049,610.1	1,154,204.3	1,242,132.0
Water supply, sewerage, waste management	444,660.1	477,510.2	510,410.6	540,159.2	575,213.0	606,754.2
Construction	13,765,005.5	15,655,747.5	17,802,021.2	19,421,672.1	20,249,939.1	21,131,031.9
Services	42,689,010.6	45,407,431.7	48,111,192.3	50,177,656.9	52,663,977.6	55,408,589.7
Wholesale and retail trade; and repairs	9,821,247.6	10,434,333.3	10,961,777.0	11,197,266.0	11,623,456.1	12,046,448.3
Transport and storage	7,815,844.6	8,736,560.6	9,493,190.7	10,293,275.6	10,658,344.0	11,061,950.4
Hotels and restaurants	1,525,618.5	1,604,390.7	1,645,950.1	1,419,653.9	1,514,711.3	1,651,098.6
Information and communication	1,824,470.9	1,989,717.3	2,133,312.4	2,313,032.1	2,524,609.7	2,712,410.7
Financial and insurance activities	4,115,392.9	4,094,972.3	4,281,167.0	4,412,967.5	4,599,676.8	5,024,141.3
Real estate	3,211,894.9	3,354,517.7	3,505,484.8	3,663,972.3	3,827,459.9	3,997,459.8
Professional, scientific and technical activities	694,290.6	763,332.1	821,635.6	881,833.4	942,012.5	996,609.1
Administrative and support service activities	2,892,462.9	3,054,288.2	3,311,752.9	3,569,799.8	3,817,046.9	3,993,799.1
Public administration and defence	4,907,113.3	5,064,968.5	5,238,490.6	5,438,145.7	5,713,411.3	6,024,202.8
Education	2,859,170.7	3,046,789.4	3,257,405.7	3,365,354.6	3,537,610.7	3,724,729.4
Human health and social work activities	1,611,999.2	1,746,730.9	1,833,514.0	1,953,479.4	2,065,349.0	2,176,986.2
Arts, entertainment and recreation	307,906.8	350,027.3	389,225.2	372,119.5	444,488.0	528,722.0
Other service activities	912,404.3	971,690.0	1,037,083.3	1,089,265.4	1,181,814.3	1,249,425.4
Activities of households as employers	189,193.2	195,113.5	201,203.0	207,491.7	213,987.3	220,606.7
All economic activities	99,263,760.8	106,255,795.6	113,890,796.4	120,046,501.2	125,830,754.5	131,870,070.2
Taxes on products	8,393,644.1	8,924,996.8	9,303,082.8	9,093,315.4	9,647,434.5	10,002,659.8
Total GDP at market prices	107,657,404.9	115,180,792.4	123,193,879.2	129,139,816.7	135,478,189.0	141,872,730.1
Population	51.0	52.6	54.3	55.9	57.7	59.9
Per capita real GDP (TZS)	2,110,088.1	2,188,195.2	2,270,273.2	2,306,682.2	2,346,983.9	2,370,418.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.4: Gross Domestic Product by Activity, Percentage Growth Rates at Constant 2015 Prices

Activity	2017	2018	2019	2020	2021 ^r	2022 ^p
						Percent
Agriculture, hunting and forestry	5.9	5.3	4.4	4.9	3.9	3.3
Crops	6.4	5.3	4.4	5.0	3.6	2.7
Livestock	4.9	5.1	5.0	5.0	5.0	5.0
Forestry and hunting	4.8	5.0	4.8	3.2	3.5	3.1
Fishing	8.3	9.3	1.5	6.8	2.5	1.9
Industry and construction	10.6	9.7	11.6	7.3	5.5	5.5
Mining and quarrying	5.3	1.5	17.7	7.2	9.6	10.9
Manufacturing	8.2	8.3	5.8	4.5	4.8	4.2
Electricity supply	1.0	5.8	7.2	5.5	10.0	7.6
Water supply, sewerage, waste management	6.4	7.4	6.9	5.8	6.5	5.5
Construction	15.1	13.7	13.7	9.1	4.3	4.4
Services	5.3	6.4	6.0	4.3	5.0	5.2
Wholesale and retail trade; and repairs	6.1	6.2	5.1	2.1	3.5	3.6
Transport and storage	6.7	11.8	8.7	8.4	3.5	3.8
Hotels and restaurants	3.1	5.2	2.6	-13.7	6.7	9.0
Information and communication	6.2	9.1	7.2	8.4	9.1	7.4
Financial and insurance activities	-2.8	-0.5	4.5	3.1	4.9	9.2
Real estate	4.4	4.4	4.5	4.5	4.5	4.4
Professional, scientific and technical activities	14.5	9.9	7.6	7.3	6.8	5.8
Administrative and support service activities	10.8	5.6	8.4	7.8	6.9	4.6
Public administration and defence	2.4	3.2	3.4	3.8	5.1	5.4
Education	7.3	6.6	6.9	3.3	5.1	5.3
Human health and social work activities	7.6	8.4	5.0	6.5	5.7	5.4
Arts, entertainment and recreation	9.9	13.7	11.2	-4.4	19.4	19.0
Other service activities	12.0	6.5	6.7	5.0	8.5	5.7
Activities of households as employers	3.2	3.1	3.1	3.1	3.1	3.1
All economic activities	7.0	7.0	7.2	5.4	4.8	4.8
Taxes on products	4.6	6.3	4.2	-2.3	6.6	3.7
Total GDP at market prices	6.8	7.0	7.0	4.8	4.9	4.7

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.5: Production of Major Agricultural Crops

	'000' Tonnes				
	2018/19	2019/20	2020/21	2021/22 ^r	2022/23 ^P
Food crops:					
Maize	5,817.5	6,711.0	6,908.3	7,039.0	8,010.9
Rice	2,009.2	3,038.1	2,629.5	2,688.0	2,332.2
Wheat	62.4	79.0	70.3	70.0	86.5
Pulses	1,407.8	1,858.7	2,135.5	2,236.0	2,802.8
Cash crops:					
Coffee	66.6	59.3	73.0	66.8	82.5
Seed cotton	349.0	349.0	122.8	144.8	173.7
Tea	37.2	28.7	27.5	24.8	26.8
Cashew nuts	225.1	232.7	210.8	240.1	189.1
Tobacco	72.6	37.5	58.5	70.7	125.6
Sisal	33.3	36.4	39.3	43.6	48.6
Pyrethrum	2.0	2.5	2.4	2.6	4.2

Source: Ministry of Agriculture

Note: p denotes provisional data; r, revised data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.6: Agricultural Production Indices

					2013/14=101
	2018/19	2019/20	2020/21	2021/22 ^r	2022/23 ^P
Food crops					
Maize	86.4	99.7	102.6	104.5	119.0
Paddy	119.7	181.0	156.7	160.2	139.0
Wheat	37.3	47.3	42.1	41.9	51.8
Pulses	82.9	109.5	125.8	131.7	165.1
Cash crops					
Coffee	136.6	121.6	149.3	137.1	169.1
Cotton	90.5	141.9	98.3	58.9	70.6
Tea	107.2	82.7	79.2	71.5	77.1
Cashew nuts	173.0	178.8	158.8	184.5	145.3
Tobacco	84.1	52.9	64.5	81.9	145.5
Sisal	88.1	87.8	80.9	115.3	128.7
Pyrethrum	30.5	38.0	36.5	39.4	64.2

Source: Ministry of Agriculture

Note: p denotes provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.7: Production of Selected Industrial Products

Commodity	Unit	2017	2018	2019	2020	2021 ^r	2022 ^P
Biscuits and pasta	Tonnes	16,451.0	16,911.0	18,113.0	22,991.0	27,355.0	29,653.0
Wheat flour	Tonnes	606,432.0	678,780.0	680,393.0	763,461.0	733,287.0	684,708.0
Sugar, refined	'000' Tonnes	320.3	315.9	439.1	460.6	433.1	478.3
Distilled spirit	'000' Lts	22,823.0	26,744.0	32,366.0	33,287.0	22,066.0	22,489.0
Beer	'000' Lts	396,864.0	444,633.0	391,299.0	378,349.0	375,960.0	456,035.0
Chibuku	'000' Lts	22,162.0	20,819.0	20,350.0	21,712.0	23,266.0	24,366.0
Cigarettes	Mill Pcs	7,412.0	7,921.0	8,369.0	7,320.0	7,021.0	12,201.0
Textiles	'000' Sq. Mt.	52,052.0	85,982.0	n.a	n.a	86,564.0	70,716.0
Sisal ropes and twines	Tonnes	8,188.0	8,148.0	9,287.0	8,076.0	8,583.0	6,171.0
Fishnet and products	Tonnes	196.0	228.0	254.0	261.0	273.0	461.0
Plywood	Cubic Mt.	993.0	1,023.0	1,177.0	1,249.0	1,339.0	670.0
Pyrethrum extract	Tonnes	134.0	139.0	145.0	154.0	164.0	173.0
Paints	'000' Lts	40,146.0	48,025.0	58,024.0	56,755.0	62,785.0	64,028.0
Cement	'000' Tonnes	4,199.9	4,579.0	6,514.7	6,494.8	6,614.6	7,598.1
Rolled steel	Tonnes	168,526.0	215,828.0	203,018.0	191,365.0	248,074.0	277,079.0
Iron sheets	Tonnes	84,541.0	84,132.0	100,963.0	107,836.0	119,864.0	129,038.0
Aluminium sheets/circles	Tonnes	0.0	n.a	n.a	n.a	n.a	n.a
Dry cells	'000' Pcs	122,000.0	115,000.0	120,000.0	132,000.0	n.a	n.a

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data; Lts litres; Sq.Mt, square meter; and Pcs pieces



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.8: Industrial Production Indices

Commodity	1985=100					
	2017	2018	2019	2020	2021 ^r	2022 ^p
Biscuits and pasta	1,663.4	1,709.9	1,831.4	2,324.7	2,765.9	2,998.3
Wheat flour	1,558.6	1,744.5	1,748.6	1,962.1	1,884.6	1,759.7
Sugar, refined	286.0	282.1	392.1	411.3	386.7	427.1
Distilled spirit	2,372.5	2,780.0	3,364.4	3,460.2	2,293.8	2,337.7
Beer	523.8	586.9	516.5	499.4	496.3	601.9
Chibuku	202.8	190.5	186.2	198.6	212.9	222.9
Cigarattes	278.0	297.1	313.9	274.6	263.4	457.7
Textiles	89.6	148.1	n.a	n.a	149.1	121.8
Sisal ropes and twines	56.5	56.2	64.0	55.7	59.2	42.6
Fishnet and products	204.2	237.5	264.6	271.9	284.4	480.2
Plywood	62.5	64.4	74.1	78.6	84.3	42.2
Pyrethrum extract	343.6	356.4	371.8	394.9	420.5	443.6
Paints	2,943.3	3,520.9	4,254.0	4,160.9	4,603.0	4,694.1
Cement	1,063.3	1,159.2	1,649.3	1,644.3	1,674.6	1,923.6
Rolled steel	44,820.7	57,401.1	53,994.1	50,894.9	65,977.1	73,691.2
Iron Sheets	748.2	744.5	893.5	954.3	1,060.7	1,141.9
Aluminium sheets/circles	n.a	n.a	n.a	n.a	n.a	n.a
Dry cells	276.6	260.8	272.1	299.3	n.a	n.a

Source: National Bureau of Statistics and the Bank of Tanzania computations

Notes: p denotes provisional data; r, revised data; n.a, not available



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.9: Mineral Recoveries

Mineral	Unit	2017	2018	2019	2020	2021	2022 ^P
Diamond	'000' Carats	304.5	381.3	416.7	147.2	62.5	442.0
Gold	Kilograms	43,489.9	39,304.0	48,408.0	55,805.0	59,638.0	56,943.0
Gemstone	Tonnes	1,185.7	284.3	1,929.7	23,564.5	7,197.2	12,752.1
Salt	'000' Tonnes	100.0	36.4	99.5	84.0	113.0	181.8
Gypsum	'000' Tonnes	123.6	241.3	256.5	443.9	598.1	604.4
Limestone	'000' Tonnes	3,300.9	2,944.0	5,527.0	6,788.0	976.3	2,511.4
Pozzolana	Tonnes	79,085.0	91,645.0	263,064.0	160,078.0	216,934.0	226,038.3
Coal	'000' Tonnes	563,053.0	627,652.0	712,136.0	689,959.0	976,319.0	2,511,419.4
Tanzanite	Kilograms	21,581.5	n.a	n.a	51,542.0	177,145.5	14,487.5
Phosphate	Tonnes	1,351.0	1,351.0	n.a	28,376.0	24,493.0	26,596.8
Copper	'000' Pounds	2,933.9	n.a	n.a	3,761.1	3,352.6	6,827.9

Source: Ministry of Minerals

Note: p denotes provisional data; and n.a, not available



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10(f): National Consumer Price Index (Urban and Rural) - Main Groups

Base: 2020 = 100

Period	Headline overall index	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishings, household equipment and routine household maintenance	Health	Transport	Information and communication	Recreation, sport and culture	Education services	Restaurants and accommodation services	Insurance and financial services	Personal care, social protection and miscellaneous goods and services
New Weight (%)	28.2	1.9	10.8	15.1	7.9	2.5	14.1	5.4	1.6	2.0	6.6	2.1	2.1	
2021-Jan	100.0	101.2	103.0	102.3	102.4	101.6	101.0	101.1	102.1	100.4	102.3	100.1	100.1	102.0
Feb	102.4	101.4	103.5	102.9	102.5	102.2	101.7	102.5	102.6	101.2	103.7	100.3	100.3	102.3
Mar	103.4	101.5	104.2	104.0	102.8	102.3	102.9	101.4	102.8	101.2	104.5	100.3	100.3	102.4
Apr	104.0	102.3	104.5	104.5	103.0	102.3	103.0	101.8	102.9	101.3	105.1	100.3	100.3	102.6
May	104.2	102.2	104.5	104.0	102.9	102.3	103.1	101.8	102.9	101.2	105.1	100.3	100.3	102.5
Jun	104.3	102.3	104.5	104.0	103.1	103.0	103.2	101.9	102.9	101.3	105.3	100.2	100.2	102.8
Jul	104.3	102.2	104.6	104.2	103.1	102.9	103.5	102.0	102.9	101.2	105.3	100.3	100.3	102.9
Aug	103.8	102.7	104.9	104.7	103.4	103.1	104.1	102.1	103.0	101.2	105.3	100.3	100.3	103.1
Sep	103.7	102.5	104.8	104.6	103.5	103.2	104.1	102.0	103.0	101.1	105.3	100.3	100.3	103.0
Oct	103.6	102.7	104.8	104.3	103.4	103.3	104.1	102.0	102.4	101.2	105.4	100.3	100.3	103.1
Nov	104.1	102.9	105.5	104.7	103.9	103.4	104.2	102.3	102.6	101.2	105.7	100.4	100.4	103.3
Dec	104.9	102.9	105.7	105.1	104.4	103.4	105.3	102.4	102.7	101.2	105.7	100.4	100.4	103.4
2022-Jan	105.6	103.1	106.2	105.9	105.5	103.5	105.4	102.4	104.0	101.4	106.2	100.4	100.4	104.3
Feb	106.2	103.3	106.4	106.5	105.6	103.5	105.5	102.2	104.0	101.4	106.5	100.5	100.5	104.4
Mar	107.1	103.3	107.0	107.3	105.7	103.6	105.9	102.4	104.0	101.5	107.0	100.5	100.5	105.0
Apr	107.9	103.5	106.9	108.6	105.8	103.7	107.0	102.4	103.9	101.5	107.2	100.5	100.5	105.0
May	108.4	103.5	106.7	108.5	106.3	103.8	110.5	102.5	104.0	101.5	107.2	100.5	100.5	105.2
Jun	108.9	103.4	106.9	108.8	106.8	104.3	112.4	102.4	104.2	101.9	107.2	100.5	100.5	105.2
Jul	109.1	103.4	107.1	108.5	107.1	104.4	112.5	102.5	104.4	101.9	107.3	100.5	100.5	105.3
Aug	108.6	103.4	107.3	108.3	107.1	104.2	112.5	102.5	104.3	101.9	107.3	100.5	100.5	105.3
Sep	108.7	103.5	107.6	108.0	107.2	104.6	112.3	108.2	104.7	101.9	107.2	100.5	100.5	105.3
Oct	108.7	103.6	107.5	108.1	107.7	104.6	110.4	103.3	104.6	101.9	107.9	100.1	100.1	105.5
Nov	104.1	102.9	105.5	104.7	103.9	103.4	104.2	102.3	102.6	101.2	105.7	100.4	100.4	103.3
Dec	110.0	103.7	108.4	107.9	108.2	105.1	110.7	103.7	104.7	101.9	108.6	100.2	100.2	106.0
2023-Jan	110.8	103.7	108.9	108.0	108.7	105.4	111.9	104.1	105.0	104.3	109.2	100.4	100.4	106.5
Feb	111.3	103.8	109.1	108.1	108.6	105.4	111.8	104.0	105.2	104.8	109.4	100.4	100.4	106.4
Mar	112.1	103.8	109.5	108.5	108.8	105.4	112.0	104.1	105.6	104.9	110.3	100.0	100.0	106.4
Apr	112.5	104.3	109.9	108.9	109.1	105.5	111.6	104.2	105.8	104.9	110.7	100.1	100.1	106.7
May	112.7	105.1	110.2	109.4	109.4	105.5	112.0	104.4	105.9	105.2	112.3	100.1	100.1	107.0
Jun	112.8	105.2	110.6	110.0	109.5	105.6	111.9	104.4	106.1	105.2	112.7	100.1	100.1	108.0

Source: National Bureau of Statistics



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10(ii): National Consumer Price Index (Urban and Rural) - Other Selected Groups

Base: 2020 = 100

Period	Core index	Non-core index	Energy, fuel and utilities index	Services index	Goods index	Education services and products ancillary to education index	All items less food and non-alcoholic beverages
New Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021-Jan	102.3	99.3	98.9	101.4	101.6	102.2	n.a
Feb	102.9	101.2	100.6	102.1	102.7	102.4	102.5
Mar	103.6	103.0	102.5	102.8	103.9	102.7	103.2
Apr	103.9	104.0	103.6	103.2	104.4	103.3	103.5
May	104.3	104.2	102.5	103.2	104.8	103.2	103.4
Jun	104.4	104.1	102.6	103.2	104.9	103.4	103.5
Jul	104.3	104.4	103.7	103.2	105.0	103.3	103.6
Aug	104.5	101.7	105.2	103.5	104.0	103.3	103.9
Sep	104.5	101.5	104.7	103.4	103.9	103.3	103.9
Oct	104.4	101.2	103.9	103.4	103.7	103.1	103.8
Nov	104.8	101.9	104.0	103.7	104.3	103.3	104.1
Dec	105.3	104.0	105.0	104.0	105.5	103.4	104.5
2022-Jan	105.7	105.2	106.1	104.3	106.4	104.5	105.0
Feb	106.0	106.9	106.5	104.6	107.2	104.6	105.3
Mar	106.3	109.2	109.0	104.7	108.5	104.7	105.7
Apr	106.9	110.7	113.9	105.0	109.6	104.7	106.2
May	107.4	111.3	116.4	105.9	109.9	104.7	106.9
Jun	107.9	111.9	115.9	106.8	110.2	104.9	107.4
Jul	107.9	112.2	115.2	106.8	110.4	104.9	107.5
Aug	107.9	110.8	115.3	106.8	109.7	105.0	107.5
Sep	107.9	111.1	113.0	106.9	109.8	105.1	107.5
Oct	107.6	112.0	112.9	106.4	110.1	104.9	107.2
Nov	104.8	101.9	104.0	103.7	104.3	103.3	104.1
Dec	107.9	116.1	113.2	106.6	112.0	104.9	107.6
2023-Jan	108.4	117.6	113.4	107.3	112.9	106.5	108.2
Feb	108.5	119.2	113.3	107.4	113.6	106.8	108.2
Mar	108.7	121.7	114.4	107.6	114.8	106.8	108.5
Apr	109.0	122.6	114.3	107.7	115.4	106.8	108.7
May	109.5	121.7	115.1	108.3	115.4	107.1	109.1
Jun	109.7	121.6	115.9	108.5	115.4	107.2	109.4

Source: National Bureau of Statistics



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A1.1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10(iii): National Consumer Price Index (Urban and Rural), Twelve Months Percentage Change - Main Groups

Base:2020= 100

Period	Headline	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishings, household equipment and routine household maintenance	Health	Transport	Information and communication	Recreation, sports and culture	Education services	Restaurants and accommodation services	Insurance and financial services	Personal care, social protection and miscellaneous goods and services
New Weight (%)	100.0	28.2	1.9	10.8	15.1	7.9	2.5	14.1	5.4	1.6	2.0	6.6	2.1	2.1
2021-Jan	3.5	2.8	1.8	3.7	7.3	3.1	2.2	0.9	2.4	1.6	0.9	3.0	0.1	2.4
Feb	3.3	3.6	2.0	4.0	4.4	3.2	2.8	1.0	2.0	2.1	1.1	4.1	0.3	2.8
Mar	3.2	4.3	1.9	4.5	3.7	3.2	2.9	0.5	2.1	2.2	1.2	4.9	0.3	2.8
Apr	3.3	4.8	2.7	4.6	4.1	3.1	2.7	0.2	1.8	5.4	1.2	5.4	0.3	2.7
May	3.3	4.9	2.5	4.4	3.5	2.8	2.6	1.2	1.7	2.3	1.1	5.4	0.3	2.6
Jun	3.6	4.7	1.9	4.4	3.2	2.9	2.7	3.8	1.9	2.3	1.3	5.6	0.3	2.0
Jul	3.8	5.1	1.9	4.5	3.5	2.9	2.6	4.3	1.8	2.2	1.1	4.9	0.3	2.7
Aug	3.8	3.6	2.4	4.7	4.2	3.1	2.8	5.7	1.8	2.3	1.1	5.0	0.3	2.8
Sep	4.0	4.0	2.4	4.8	4.1	3.2	2.8	5.9	1.8	4.1	1.1	5.0	0.3	2.8
Oct	4.0	3.9	2.5	4.9	3.8	3.2	2.9	5.6	1.9	3.7	1.1	5.0	0.3	2.9
Nov	4.1	4.4	2.7	5.5	4.0	3.6	3.0	5.4	1.4	3.8	1.1	5.3	0.3	3.5
Dec	4.2	4.9	2.2	4.5	3.9	4.1	2.9	5.9	1.5	3.8	1.1	4.9	0.3	3.5
2022-Jan	4.0	6.3	1.9	3.1	3.5	3.0	1.9	4.4	1.3	1.9	1.0	3.7	0.3	2.2
Feb	3.7	6.1	1.8	2.8	3.5	3.0	1.3	3.7	1.2	1.4	0.3	2.7	0.2	2.1
Mar	3.6	6.5	1.8	2.4	3.2	2.8	1.3	2.9	1.0	1.1	0.2	2.4	0.2	2.5
Apr	3.8	6.6	1.2	2.3	3.9	2.8	1.3	3.9	0.6	1.0	0.2	2.1	0.2	2.4
May	4.0	5.5	1.2	2.1	4.3	3.3	1.5	7.2	0.7	1.1	0.3	2.0	0.2	2.6
Jun	4.4	5.9	1.1	2.3	4.6	3.6	1.3	8.9	0.5	1.3	0.5	1.8	0.3	2.4
Jul	4.5	6.5	1.2	2.4	4.1	3.9	1.4	8.7	0.4	1.4	0.7	1.9	0.2	2.3
Aug	4.6	7.8	0.7	2.3	3.4	3.6	1.1	8.1	0.4	1.3	0.7	1.9	0.2	2.2
Sep	4.8	8.3	1.0	2.6	3.2	3.6	1.4	7.9	1.1	1.6	0.7	1.8	0.2	2.2
Oct	4.9	9.1	0.9	2.5	3.7	4.2	1.3	6.1	1.2	2.2	0.7	2.3	-0.2	2.4
Nov	4.9	9.2	0.8	2.1	2.8	4.0	1.5	6.1	1.2	2.0	0.7	2.6	-0.2	2.3
Dec	4.8	9.7	0.8	2.6	2.7	3.7	1.7	5.1	1.3	2.0	0.7	2.7	-0.1	2.5
2023-Jan	4.9	9.9	0.6	2.5	2.0	3.0	1.8	6.2	1.7	1.0	2.9	2.8	0.0	2.1
Feb	4.8	9.6	0.4	2.6	1.5	2.8	1.8	6.0	1.6	1.2	3.3	2.7	-0.1	1.9
Mar	4.7	9.7	0.5	2.4	1.1	2.9	1.7	5.7	1.6	1.5	3.4	3.1	-0.5	1.3
Apr	4.3	9.1	0.8	2.8	0.3	3.1	1.8	4.3	1.7	1.8	3.3	3.2	-0.4	1.6
May	4.0	9.7	0.5	2.4	1.1	2.9	1.7	5.7	1.6	1.5	3.4	3.1	-0.5	1.3
Jun	3.6	7.8	1.7	3.5	1.1	2.5	1.3	-0.4	1.9	1.9	3.3	5.1	-0.4	2.6

Source: National Bureau of Statistics



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A1.0 Output and Prices Statistics, Tanzania Mainland

**Table A1.10(iv): National Consumer Price Index (Urban and Rural), Twelve Months Percentage Change
- Other Selected Groups**

Period	Core	Non-Core	Energy, fuel and utilities	Services index	Goods index	Base:2020= 100	
						Education services and products ancillary to	All items less food and non- alcoholic beverages
New Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021-Jan	3.8	1.5	1.6	2.9	3.4	2.5	n.a
Feb	3.6	2.1	1.4	2.3	3.7	2.5	n.a
Mar	3.6	2.5	1.1	1.9	4.1	2.7	2.7
Apr	3.5	3.1	2.3	2.1	4.2	3.2	2.7
May	3.7	2.8	2.1	2.3	4.1	3.2	2.7
Jun	4.0	2.7	3.2	3.0	4.1	3.1	3.2
Jul	4.1	3.4	3.6	3.1	4.3	3.3	3.3
Aug	4.5	1.8	5.1	3.7	3.9	3.3	4.0
Sep	4.6	2.3	4.6	4.0	4.0	3.3	4.1
Oct	4.5	2.3	4.2	3.9	4.0	3.1	4.1
Nov	4.7	2.5	3.4	4.0	4.3	3.3	4.0
Dec	4.6	3.4	4.4	3.8	4.5	3.3	3.9
2022-Jan	3.3	6.0	7.3	2.9	4.7	2.3	3.1
Feb	3.0	5.6	5.8	2.4	4.4	2.2	2.7
Mar	2.7	6.1	6.3	1.9	4.5	2.0	2.4
Apr	2.8	6.5	9.9	1.7	5.0	1.4	2.6
May	3.0	6.8	13.5	2.7	4.8	1.5	3.4
Jun	3.4	7.4	12.9	3.4	5.0	1.5	3.9
Jul	3.5	7.5	11.2	3.5	5.2	1.5	3.8
Aug	3.2	9.0	9.6	3.2	5.5	1.6	3.4
Sep	3.3	9.5	7.9	3.4	5.7	1.7	3.5
Oct	3.0	10.6	8.7	2.8	6.2	1.7	3.3
Nov	2.7	11.3	7.7	2.7	6.1	1.6	3.1
Dec	2.5	11.6	7.9	2.5	6.2	1.5	2.9
2023-Jan	2.5	11.8	6.9	2.9	6.1	1.9	3.0
Feb	2.4	11.5	6.4	2.7	6.0	2.1	2.8
Mar	2.3	11.4	5.0	2.7	5.8	2.0	2.7
Apr	2.0	10.7	0.4	2.6	5.3	2.0	2.3
May	2.0	9.4	-1.1	2.2	5.0	2.3	2.1
Jun	1.7	8.7	0.0	1.6	4.7	2.3	1.8

Source: National Bureau of Statistics



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A2.0 United Republic of Tanzania Government Finance Statistics

Table A2.1: Central Government Operations

	Millions of TZS						
Item	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ^r	2022/23 ^p
Total revenue (including LGAs)	16,639,831.5	18,513,304.0	19,186,391.4	21,750,801.7	21,351,790.2	25,285,034.9	27,226,671.0
Total revenue - central government	16,128,113.5	17,971,804.9	18,527,293.2	21,051,754.9	20,594,735.2	24,395,566.9	26,241,759.4
Tax revenue	14,055,172.6	15,092,571.8	15,387,287.9	17,472,133.5	17,317,613.5	20,029,211.6	21,411,398.9
Taxes on imports	5,049,520.3	5,429,947.9	5,668,220.5	5,994,225.3	6,564,357.6	7,879,144.1	8,326,795.3
Taxes on local goods	3,043,675.0	3,430,883.1	3,709,774.4	3,840,566.2	3,700,549.9	3,422,252.4	4,102,528.0
Income taxes	4,829,602.6	5,157,886.3	5,072,401.5	6,490,239.8	6,015,741.0	7,517,312.4	7,601,040.8
Other taxes	1,132,374.7	1,073,854.5	936,891.5	1,147,102.2	2,264,146.9	1,210,502.6	1,381,034.8
Non- tax revenue	2,072,940.9	2,879,233.1	3,140,005.3	3,579,621.4	3,277,121.8	4,366,355.3	4,830,360.5
LGA own sources	511,718.0	541,499.1	659,098.2	699,046.8	757,055.0	889,467.9	984,911.6
Total expenditure ¹	18,889,969.1	20,445,960.2	22,265,372.0	24,128,140.5	26,585,306.7	31,107,770.9	34,431,748.2
Recurrent expenditure	11,617,144.8	12,415,919.9	13,811,190.4	14,201,147.8	14,883,722.6	16,027,429.9	20,475,131.8
Wages and salaries	6,367,146.8	6,327,676.8	6,658,458.2	7,006,311.0	7,328,824.0	8,087,392.4	9,046,205.3
Interest payments	1,715,429.2	1,990,293.1	2,408,680.1	2,299,499.7	2,528,537.9	2,837,712.9	3,680,654.6
Domestic ²	1,215,582.1	1,317,546.0	1,622,507.9	1,458,831.0	1,815,444.5	2,049,207.9	2,633,591.1
Foreign	499,847.1	672,747.1	786,172.2	840,668.7	713,093.4	788,505.0	1,047,063.4
Other goods, services and transfers	3,534,568.8	4,097,950.0	4,744,052.1	4,895,337.1	5,026,360.6	5,102,324.6	7,748,271.9
Development expenditure and net lending	7,272,824.3	8,030,040.4	8,454,181.5	9,926,992.6	11,701,584.2	15,080,341.0	13,956,616.5
Local	5,141,450.7	5,811,305.6	6,496,222.3	6,832,823.1	9,251,759.3	11,461,638.2	12,244,992.5
Foreign	2,131,373.6	2,218,734.8	1,957,959.3	3,094,169.5	2,449,824.8	3,618,702.8	1,711,623.9
Overall balance before grants	-2,250,137.6	-2,474,155.3	-3,738,078.8	-3,076,385.5	-5,990,571.5	-6,712,204.0	-8,189,988.8
Grants	1,092,495.4	930,648.4	461,201.3	927,848.2	702,851.5	708,492.2	596,380.3
Program	190,303.2	247,285.4	0.0	0.0	0.0	103,202.0	0.0
Project	733,208.3	566,197.5	285,340.0	662,509.7	527,487.8	519,323.4	506,327.7
Basket funds	168,983.8	117,165.4	175,861.3	211,972.3	175,363.7	85,966.8	90,052.5
HIPC relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MDRI/MCA (T)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance after grants	-1,157,642.2	-1,543,506.9	-3,276,877.4	-2,148,537.4	-5,287,720.0	-6,003,711.7	-7,593,608.5
Expenditure float	-59,647.1	-71,767.9	-10,242.6	-15,750.3	-7,318.0	-2,187.1	-12,956.4
Adjustments to cash and other items (net)	-376,841.2	-685,454.9	-941,880.6	-564,176.2	-715,561.1	45,620.7	-83,856.6
Overall balance (cheques cleared)	-1,594,130.5	-2,300,729.7	-4,229,000.6	-2,728,463.9	-6,010,599.1	-5,960,278.2	-7,690,421.6
Financing:	1,594,130.5	2,300,729.7	4,229,000.6	2,728,463.9	6,010,599.1	5,960,278.2	7,690,421.6
Foreign financing (net)	1,704,992.6	1,702,082.3	1,191,823.2	2,351,539.9	2,651,378.7	3,110,275.7	3,084,660.5
Loans	2,608,423.3	3,009,653.4	2,766,976.2	4,379,847.2	5,078,402.1	5,926,333.0	5,978,206.4
Program loans	152,482.1	0.0	125,396.0	126,094.2	210,238.6	1,291,742.6	1,851,237.4
Development project loans	2,350,950.1	2,938,575.6	2,597,299.3	4,195,187.6	4,791,056.7	4,627,830.3	4,126,969.1
o/w: Non-concessional borrowing	1,226,759.8	1,474,281.6	1,144,822.3	1,822,093.1	3,121,190.2	1,809,493.7	3,011,725.4
Basket support	104,991.1	71,077.8	44,280.9	58,565.3	77,106.9	6,760.1	0.0
Amortization	-903,430.8	-1,307,571.1	-1,575,153.1	-2,028,307.3	-2,427,023.4	-2,816,057.3	-2,893,546.0
Domestic (net) ³	-110,862.0	598,647.5	3,037,177.5	376,924.0	3,359,220.4	2,850,002.5	4,605,761.1
Bank and non-bank financing	-110,862.0	598,647.5	3,037,177.5	376,924.0	3,359,220.4	2,850,002.5	4,605,761.1
Bank borrowing	-1,100,145.0	-343,325.5	2,383,403.3	-404,856.6	1,808,932.4	1,846,493.2	1,430,791.5
Non-bank (net of amortization)	989,283.0	941,973.0	653,774.1	781,780.6	1,550,288.0	1,003,509.3	3,174,969.6
Domestic and contingent debt amortization	4,615,670.4	4,835,199.3	3,713,606.8	3,976,811.2	3,262,551.9	3,044,431.8	3,513,913.7
Borrowing/roll over	-4,615,670.4	-4,835,199.3	-3,713,606.8	-3,976,811.2	-3,262,551.9	-3,044,431.8	-3,513,913.7

Source: Ministry of Finance

Note: ¹ Exclude amortization and expenditure float, includes road fund and retention expenditures; ² Domestic interest payments and amortization include cash and non-cash;

³ Positive value means financing and a negative value means repayment; r denotes revised data; p, provisional data: LGA, local government authority; HIPC, heavily indebted poor countries; MDRI, multilateral debt relief initiative; and MCA(T), millennium challenge account Tanzania



Bank of Tanzania Annual Report 2022/23

A2.0 United Republic of Tanzania Government Finance Statistics

Table A2.2: Outstanding Treasury Bills by Investor

Millions of TZS

Period	Total	Bank of Tanzania	Banks	Of which			Other official entities	Private sector
				Depository money banks	Other banking institutions	Other financial institutions		
2018	2,877,070.8	428,611.8	1,600,819.4	1,572,398.3	28,421.1	466,010.4	126,063.3	255,565.9
2019	3,000,267.9	166,396.0	2,054,778.0	1,991,427.5	63,350.5	464,546.4	124,522.1	190,025.5
2020	1,745,951.0	68,024.8	1,307,571.4	1,278,180.9	29,390.5	237,602.2	118,604.3	14,148.3
2021	1,810,818.7	73,407.2	1,395,499.4	1,384,099.4	11,400.0	219,914.5	118,197.2	3,800.4
2022	2,066,194.3	47,368.4	1,798,622.0	1,798,622.0	0.0	187,881.0	29,858.8	2,464.1
2022-Jan	1,932,839.5	77,646.0	1,530,360.6	1,520,160.6	10,200.0	201,596.6	119,420.9	3,815.4
Feb	1,917,912.5	9,684.2	1,607,617.1	1,584,567.1	23,050.0	178,396.5	118,321.2	3,893.4
Mar	1,774,177.6	0.0	1,515,898.8	1,491,298.8	24,600.0	167,201.8	88,831.6	2,245.4
Apr	1,611,380.2	0.0	1,367,298.8	1,342,698.8	24,600.0	157,820.7	83,161.8	3,099.0
May	1,738,883.5	0.0	1,489,732.1	1,473,832.1	15,900.0	169,102.7	76,892.7	3,156.1
Jun	1,805,076.4	0.0	1,547,545.9	1,545,045.9	2,500.0	192,510.0	61,894.4	3,126.1
Jul	1,711,363.4	0.0	1,470,111.5	1,467,411.5	2,700.0	177,850.0	60,748.8	2,653.1
Aug	1,737,811.9	47,368.4	1,468,701.9	1,466,001.9	2,700.0	189,648.5	29,320.0	2,773.1
Sep	1,883,909.0	47,368.4	1,616,780.3	1,614,080.3	2,700.0	193,184.0	24,113.2	2,463.1
Oct	2,009,877.3	47,368.4	1,729,180.3	1,729,180.3	0.0	202,832.0	28,033.5	2,463.1
Nov	2,048,414.1	47,368.4	1,769,429.9	1,769,429.9	0.0	200,735.0	28,417.7	2,463.1
Dec	2,066,194.3	47,368.4	1,798,622.0	1,798,622.0	0.0	187,881.0	29,858.8	2,464.1
2023-Jan	2,060,275.2	47,368.4	1,798,172.0	1,798,172.0	0.0	182,837.0	29,433.7	2,464.1
Feb	2,297,928.0	0.0	2,080,720.4	2,060,720.4	20,000.0	184,560.8	30,185.7	2,461.1
Mar	2,721,921.0	0.0	2,484,527.9	2,464,527.9	20,000.0	203,235.0	31,697.0	2,461.1
Apr	2,719,841.8	0.0	2,483,327.9	2,469,077.9	14,250.0	202,650.0	31,602.8	2,261.1
May	2,775,660.5	1,000.0	2,550,027.9	2,541,448.9	8,579.0	188,450.0	33,692.8	2,489.8
Jun	2,685,437.7	32,579.0	2,418,976.2	2,410,397.2	8,579.0	192,500.0	38,192.8	3,189.8

Source: Bank of Tanzania



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A2.0 United Republic of Tanzania Government Finance Statistics

Table A2.3: Central Government Stocks, Bonds and Notes by Holder

Millions of TZS

End of period	Bank of Tanzania	Deposit money banks	Other banks	Other financial institutions	Official entities	Private sector	Others	Total
2018	1,230,397.7	4,508,369.4	42,707.5	3,739,700.7	183,281.5	414,142.8	75,832.1	10,194,431.7
2019	1,280,397.7	4,541,583.2	54,444.5	4,711,029.4	182,421.2	605,850.6	113,143.4	11,488,869.9
2020	1,230,397.7	5,615,784.8	88,109.5	5,649,212.1	185,371.6	1,069,036.3	123,931.0	13,961,842.8
2021	1,148,172.2	6,592,487.6	86,862.5	8,197,795.5	345,690.1	1,582,046.6	151,171.8	18,104,226.2
2022	2,178,687.8	7,351,623.4	154,827.1	8,436,446.5	635,842.2	1,919,048.5	241,241.8	20,917,717.3
2021-March	1,235,397.7	5,758,133.9	87,789.5	5,748,333.2	202,804.0	1,170,899.8	145,409.3	14,348,767.2
Jun	1,154,820.2	5,817,281.7	91,547.5	5,975,872.3	253,897.4	1,364,917.9	146,171.8	14,804,508.7
Sep	1,169,370.4	6,117,511.5	87,837.5	6,054,230.4	316,205.5	1,449,630.4	151,171.8	15,345,957.4
Dec	1,148,172.2	6,592,487.6	86,862.5	8,197,795.5	345,690.1	1,582,046.6	151,171.8	18,104,226.2
2022-March	1,148,172.2	6,840,589.9	58,362.5	8,214,622.2	426,729.5	1,668,040.3	151,171.8	18,507,688.3
Jun	2,648,172.2	6,784,222.0	63,799.5	8,218,238.0	528,533.9	1,742,491.2	151,171.8	20,136,628.6
Sep	2,648,172.2	6,991,077.6	70,479.5	8,288,900.8	618,584.2	1,822,311.1	206,171.8	20,645,697.2
Dec	2,178,687.8	7,351,623.4	154,827.1	8,436,446.5	635,842.2	1,919,048.5	241,241.8	20,917,717.3
2023-March	2,125,724.4	7,397,761.1	251,267.1	8,657,949.9	596,566.9	1,970,234.8	237,304.3	21,236,808.4
Jun	2,125,724.4	7,920,417.3	420,696.2	9,103,178.6	597,166.9	2,108,466.0	277,304.3	22,552,953.6

Source: Bank of Tanzania

Note: Before June 1998, Other Banks, Other Financial Institutions, Official Entities and Private Sector categories were included in "Others" category

All figures are in face value



Bank of Tanzania Annual Report 2022/23

A3.0. Monetary Statistics

Table A3.2: Bank of Tanzania Assets

End of period	Foreign assets			Claims on government			Lending to banks	Revaluation account	Premises and equipment	Items in process of collection		Total
	Foreign exchange	SDRs	Quota in the IMF	Advances	Other securities	Total				Other assets	Total	
2018	11,319,097.1	60,983.9	1,262,088.6	2,038,174.3	1,394,796.9	3,432,971.2	465,578.5	-1,219,882.6	1,317,859.0	0.0	1,411,649.1	18,050,344.8
2019	12,595,955.4	20,651.6	1,258,926.4	1,498,969.4	1,388,641.4	2,887,610.8	246,635.0	-1,306,469.2	1,324,591.3	3.0	1,644,384.6	18,672,289.0
2020	10,773,119.6	20,929.4	1,316,881.1	5,194,989.4	1,287,818.0	6,482,807.4	294,504.9	-1,283,019.6	1,338,649.3	7,530.2	1,801,686.5	20,753,088.8
2021	13,846,300.6	1,249,443.3	1,279,209.7	6,268,882.4	1,138,975.2	7,407,857.6	201,035.4	-1,278,580.8	1,305,325.1	18,665.9	1,482,906.5	25,512,163.2
2022	12,850,288.5	21,077.1	1,222,320.5	7,460,598.2	2,142,188.4	9,602,786.6	160,280.0	-1,544,850.0	1,443,558.3	12,046.0	1,885,454.1	25,652,961.1
2022-Jan	13,441,831.3	1,241,808.1	1,271,392.5	6,129,331.4	1,150,670.0	7,280,001.4	216,598.8	-1,548,219.2	1,304,750.1	0.0	1,766,739.2	24,974,902.2
Feb	12,608,229.8	1,244,960.7	1,274,706.2	6,946,077.0	1,160,817.4	8,106,894.4	83,610.8	-1,548,217.1	1,305,730.8	87,140.1	1,784,433.7	24,947,489.4
Mar	12,654,396.0	1,235,316.8	1,264,831.9	7,005,060.3	1,209,484.1	8,214,544.4	61,940.4	-1,548,198.4	1,304,597.6	0.0	1,773,938.5	24,961,367.1
Apr	13,011,218.0	23,155.9	1,225,369.2	7,461,255.7	1,226,458.7	8,687,714.4	63,540.4	-1,548,181.7	1,303,718.6	453.0	1,778,529.2	24,545,517.1
May	12,354,631.7	22,900.1	1,234,833.1	8,415,022.5	1,197,726.2	9,612,748.7	18,851.3	-1,548,182.4	1,313,633.7	2,482.8	1,780,130.2	24,792,029.1
Jun	12,189,771.0	22,906.4	1,235,172.7	5,494,027.4	2,654,925.0	8,148,952.5	330,851.3	-1,548,169.1	1,328,956.9	0.0	1,796,991.2	23,505,432.9
Jul	13,056,625.2	22,388.2	1,207,231.4	6,270,296.9	2,656,925.5	8,927,222.4	333,393.8	-1,553,706.0	1,323,198.3	0.0	1,768,382.3	25,084,735.7
Aug	12,645,867.5	20,736.9	1,195,977.6	7,000,552.5	2,660,232.3	9,660,784.8	333,393.8	-1,553,556.2	1,332,840.8	777.8	1,787,459.2	25,424,282.2
Sep	11,953,267.0	17,001.6	1,171,432.9	7,712,824.5	2,667,097.9	10,379,922.5	143,076.8	-1,553,220.2	1,436,380.8	918.3	1,813,914.8	25,362,694.4
Oct	11,210,445.7	17,130.4	1,180,309.0	9,103,923.1	2,176,152.2	11,280,075.3	148,268.3	-1,553,235.0	1,441,592.7	10,649.7	1,825,441.9	25,560,678.0
Nov	10,961,115.7	20,811.6	1,206,927.1	9,065,141.4	2,113,276.3	11,178,417.8	148,280.0	-1,544,835.1	1,444,293.2	12,043.0	1,884,549.1	25,311,602.3
Dec	12,850,288.5	21,077.1	1,222,320.5	7,460,598.2	2,142,188.4	9,602,786.6	160,280.0	-1,544,850.0	1,443,558.3	12,046.0	1,885,454.1	25,652,961.1
2023-Jan	11,476,143.6	32,160.2	1,238,562.6	7,798,240.7	2,143,675.4	9,941,916.1	160,737.9	-1,358,673.9	1,444,848.2	6,735.9	1,699,944.2	24,642,374.8
Feb	10,918,797.1	11,311.5	1,218,712.4	8,608,584.5	2,150,342.8	10,758,927.2	158,237.9	-1,358,688.6	1,444,831.9	6,071.4	1,831,980.2	24,990,181.1
Mar	11,889,118.4	11,485.0	1,237,412.2	8,072,906.2	2,058,677.2	10,131,583.4	228,280.0	-1,358,435.1	1,445,606.1	5,559.5	1,808,317.0	25,398,926.5
Apr	11,661,311.9	11,541.3	1,243,468.7	8,670,673.2	2,069,127.3	10,739,801.4	238,280.0	-1,404,254.7	1,443,559.6	27,082.5	1,817,651.7	25,778,442.4
May	11,255,771.8	13,261.8	1,228,023.0	10,015,478.9	2,077,123.2	12,092,604.1	228,280.0	-1,404,316.5	1,444,833.8	11,970.2	1,817,646.9	26,688,075.1
Jun	12,969,911.1	14,362.7	1,231,998.5	7,463,226.6	2,081,966.8	9,545,196.4	191,665.3	-1,416,697.8	1,442,345.4	37,031.5	2,106,248.5	26,122,061.5

Source: Bank of Tanzania

Note: SDRs denotes statutory drawing rights; and IMF, International Monetary Fund

A3.0. Monetary Statistics

Table A3.3 : Bank of Tanzania Liabilities

End of period	Currency in circulation	Central government deposits			Other deposits	Foreign liabilities	International Monetary Fund	Allocation of SDRs	Other liabilities	Capital and reserves	Total
		Central government deposits	Banks' deposits	Other deposits							
2018	4,776,238.7	3,680,063.7	2,959,505.1	1,491,826.1	41,409.5	1,304,019.5	604,430.1	3,093,003.4	99,848.8	18,050,344.8	
2019	5,248,193.3	3,530,767.7	2,648,656.9	2,394,581.6	48,471.0	1,161,073.1	602,915.8	3,098,671.5	-61,041.9	18,672,289.0	
2020	5,501,995.0	6,112,906.9	2,164,643.4	2,436,613.8	75,480.0	1,095,995.2	630,670.9	2,634,783.6	100,000.0	20,753,088.8	
2021	6,013,271.4	6,664,649.5	3,325,942.4	3,235,283.6	208,455.1	1,108,671.5	1,838,694.6	2,859,030.3	258,164.8	25,512,163.2	
2022	6,748,333.4	7,369,988.6	3,754,139.8	2,171,627.0	569,485.6	1,034,440.9	1,756,923.9	2,472,256.0	-224,234.1	25,652,961.1	
2022-Jan	5,773,235.7	6,712,900.1	3,185,241.7	3,613,280.2	39,089.3	1,108,671.5	1,827,458.4	2,615,025.4	100,000.0	24,974,902.2	
Feb	5,602,053.0	6,960,196.1	3,266,881.6	3,633,355.7	41,824.0	1,108,671.5	1,832,221.4	2,402,286.2	100,000.0	24,947,489.4	
Mar	5,649,415.9	7,314,911.3	3,261,723.9	2,447,244.5	649,381.5	1,108,671.5	1,818,028.3	2,611,990.2	100,000.0	24,961,367.1	
Apr	5,816,158.5	7,127,030.8	3,577,915.6	2,625,119.5	47,174.2	1,108,671.5	1,761,306.0	2,382,141.0	100,000.0	24,545,517.1	
May	5,921,307.2	7,857,589.8	3,333,585.8	2,318,157.2	44,644.3	1,044,785.9	1,774,909.0	2,397,049.9	100,000.0	24,792,029.1	
Jun	6,358,408.2	5,929,884.8	3,710,387.4	2,207,603.1	42,745.6	1,044,785.9	1,775,397.2	2,336,220.7	100,000.0	23,505,432.9	
Jul	6,420,957.7	7,442,004.7	3,323,900.6	2,326,310.6	284,817.6	1,034,440.9	1,735,235.3	2,697,864.5	-180,796.3	25,084,735.7	
Aug	6,585,204.3	6,548,819.7	3,991,662.5	2,249,679.9	500,466.6	1,034,440.9	1,719,059.4	2,967,585.2	-172,636.2	25,424,282.2	
Sep	6,860,830.6	7,379,670.1	3,529,596.6	2,401,476.2	75,466.1	1,034,440.9	1,683,779.7	2,807,348.6	-409,914.5	25,362,694.4	
Oct	6,767,928.2	7,545,597.9	3,525,692.7	2,522,173.2	105,760.9	1,034,440.9	1,696,537.8	2,774,773.7	-412,227.4	25,560,678.0	
Nov	6,735,853.8	7,355,000.0	3,102,061.3	2,476,191.9	134,881.5	1,034,440.9	1,734,798.0	3,227,645.8	-489,270.9	25,311,602.3	
Dec	6,748,333.4	7,369,988.6	3,754,139.8	2,171,627.0	569,485.6	1,034,440.9	1,756,923.9	2,472,256.0	-224,234.1	25,652,961.1	
2023-Jan	6,420,720.2	6,749,415.5	3,582,633.4	2,130,677.3	118,765.8	1,034,440.9	1,780,269.7	2,963,495.4	-138,043.3	24,642,374.8	
Feb	6,299,465.5	7,337,126.6	3,543,545.2	2,148,614.3	65,950.5	1,034,440.9	1,751,737.6	2,947,343.9	-138,043.3	24,990,181.1	
Mar	6,343,417.3	7,951,071.1	3,302,896.8	2,038,917.2	73,983.9	1,034,440.9	1,778,616.2	3,013,626.5	-138,043.3	25,398,926.5	
Apr	6,435,268.2	7,806,006.0	3,501,808.3	2,505,926.9	93,926.8	1,034,440.9	1,787,321.6	2,513,743.6	100,000.0	25,778,442.4	
May	6,644,725.7	8,902,169.8	3,389,569.9	2,209,719.1	164,525.1	1,053,577.0	1,765,120.4	2,458,668.1	100,000.0	26,688,075.1	
June	7,192,010.8	6,705,276.2	4,232,338.5	2,291,531.1	65,094.6	1,047,028.2	1,770,834.7	2,717,947.3	100,000.0	26,122,061.5	

Source: Bank of Tanzania

Note: SDRs denotes statutory drawing rights



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A3.0. Monetary Statistics

Table A3.4: Tanzania Notes in Circulation

End of period	Millions of TZS											Percent of Total					
	10/-	20/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	Total	10/-	20/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-
2018	99.7	497.7	1,967.1	22,042.8	141,019.4	177,193.9	732,230.9	3,613,026.1	4,688,077.6	0.0	0.0	0.0	0.5	3.0	3.8	15.6	77.1
2019	99.7	497.7	1,967.0	21,262.2	154,346.2	295,019.9	639,417.7	4,041,111.8	5,153,722.2	0.0	0.0	0.0	0.4	3.0	5.7	12.4	78.4
2020	99.7	497.7	1,967.0	20,051.6	163,516.1	222,092.1	866,440.1	4,240,440.7	5,515,105.0	0.0	0.0	0.0	0.4	3.0	4.0	15.7	76.9
2021	99.7	497.7	1,967.0	19,886.4	177,284.1	213,327.9	901,367.4	4,808,304.0	6,122,734.1	0.0	0.0	0.0	0.3	2.9	3.5	14.7	78.5
2022	99.7	497.7	1,967.0	19,750.2	191,801.1	228,493.7	667,054.7	5,486,472.9	6,596,137.0	0.0	0.0	0.0	0.3	2.9	3.5	10.1	83.2
2022-Jan	99.7	497.7	1,967.0	19,856.6	175,896.4	207,821.8	858,147.8	4,576,557.1	5,840,844.2	0.0	0.0	0.0	0.3	3.0	3.6	14.7	78.4
Feb	99.7	497.7	1,967.0	19,852.6	173,972.3	200,680.4	795,322.4	4,480,580.6	5,672,972.7	0.0	0.0	0.0	0.3	3.1	3.5	14.0	79.0
Mar	99.7	497.7	1,967.0	19,843.1	174,810.0	202,630.5	806,577.1	4,526,669.1	5,733,094.3	0.0	0.0	0.0	0.3	3.0	3.5	14.1	79.0
Apr	99.7	497.7	1,967.0	19,828.9	178,502.5	209,707.4	810,724.5	4,686,093.7	5,907,421.3	0.0	0.0	0.0	0.3	3.0	3.5	13.7	79.3
May	99.7	497.7	1,967.0	19,828.2	182,386.7	216,671.1	860,796.2	4,734,964.0	6,017,210.5	0.0	0.0	0.0	0.3	3.0	3.6	14.3	78.7
Jun	99.7	497.7	1,967.0	19,819.7	189,370.6	232,800.4	931,261.0	5,092,582.0	6,468,398.1	0.0	0.0	0.0	0.3	2.9	3.6	14.4	78.7
Jul	99.7	497.7	1,967.0	19,812.3	193,131.8	248,268.6	943,343.1	5,127,767.0	6,534,887.2	0.0	0.0	0.0	0.3	3.0	3.8	14.4	78.5
Aug	99.7	497.7	1,967.0	19,805.8	196,590.5	249,959.5	957,943.0	5,268,508.2	6,695,371.3	0.0	0.0	0.0	0.3	2.9	3.7	14.3	78.7
Sep	99.7	497.7	1,967.0	19,802.3	199,592.7	245,575.1	708,613.4	5,541,620.6	6,717,768.6	0.0	0.0	0.0	0.3	3.0	3.7	10.5	82.5
Oct	99.7	497.7	1,967.0	19,777.7	206,166.9	236,764.4	694,371.3	5,457,286.7	6,616,931.5	0.0	0.0	0.0	0.3	3.1	3.6	10.5	82.5
Nov	99.7	497.7	1,967.0	19,763.7	195,680.2	230,289.3	676,075.8	5,459,815.9	6,584,189.3	0.0	0.0	0.0	0.3	3.0	3.5	10.3	82.9
Dec	99.7	497.7	1,967.0	19,750.2	191,801.1	228,493.7	667,054.7	5,486,472.9	6,596,137.0	0.0	0.0	0.0	0.3	2.9	3.5	10.1	83.2
2023-Jan	99.7	497.7	1,967.0	19,701.2	191,750.9	220,373.1	595,616.8	5,235,984.9	6,265,991.2	0.0	0.0	0.0	0.3	3.1	3.5	9.5	83.6
Feb	99.7	497.7	1,967.0	19,681.2	188,593.5	214,822.3	568,864.5	5,149,688.4	6,144,214.3	0.0	0.0	0.0	0.3	3.1	3.5	9.3	83.8
Mar	99.7	497.7	1,967.0	19,665.7	190,096.6	212,930.4	549,566.1	5,204,662.6	6,179,485.8	0.0	0.0	0.0	0.3	3.1	3.4	8.9	84.2
Apr	99.7	497.7	1,967.0	19,661.1	189,711.4	211,667.7	553,698.1	5,300,488.1	6,277,790.8	0.0	0.0	0.0	0.3	3.0	3.4	8.8	84.4
May	99.7	497.7	1,967.0	19,653.6	192,728.9	217,480.0	591,642.5	5,463,813.2	6,487,882.7	0.0	0.0	0.0	0.3	3.0	3.4	9.1	84.2
Jun	99.7	497.7	1,967.0	19,649.6	199,818.8	233,268.4	688,629.7	5,891,307.2	7,035,238.1	0.0	0.0	0.0	0.3	2.8	3.3	9.8	83.7

Source: Bank of Tanzania



Bank of Tanzania Annual Report 2022/23

A3.0. Monetary Statistics

Table A3.5: Tanzania Coins in Circulation¹

End of period	Millions of TZS																Percent of Total											
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/-	100/-	200/-	500/-	Total	-/05	-/10	-/20	/50	1/-	5/-	10/-	20/-	25/-	50/-	100/-	200/-	500/-	
2018	8.8	4.4	38.4	46.0	167.5	439.1	814.2	948.5	11.7	11,878.6	28,616.7	40,606.6	31,329.2	114,909.6	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.3	24.9	35.3	27.3
2019	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,503.6	30,564.8	43,540.5	38,514.9	127,601.0	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.8	24.0	34.1	30.2
2020	8.8	4.4	38.4	46.0	167.5	438.9	813.7	946.2	11.7	12,901.7	32,253.3	45,535.1	42,752.2	135,917.8	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.5	23.7	33.5	31.5
2021	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.6	11.7	13,595.5	33,666.9	48,096.4	46,996.9	144,830.4	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.4	23.2	33.2	32.4
2022-Jan	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.8	11.7	14,823.7	34,064.3	49,330.4	51,448.8	152,140.9	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.7	22.4	32.4	33.8
Feb	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.6	11.7	13,673.8	33,724.8	48,260.6	47,358.6	145,492.5	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.6	0.0	0.0	9.4	23.2	33.2	32.6
Mar	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.6	11.7	13,793.9	33,746.2	48,338.2	47,703.7	146,056.7	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.6	0.0	0.0	9.4	23.1	33.1	32.7
Apr	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.6	11.7	13,913.6	33,767.9	48,431.5	48,096.3	146,684.0	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.6	0.0	0.0	9.5	23.0	33.0	32.8
May	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.4	11.7	13,970.8	33,802.9	48,545.3	48,465.4	147,259.0	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.6	0.0	0.0	9.5	23.0	33.0	32.9
Jun	8.8	4.4	38.4	46.0	167.5	438.9	813.5	945.4	11.7	14,006.2	33,853.3	48,633.5	48,806.0	147,773.6	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.6	0.0	0.0	9.5	22.9	32.9	33.0
Jul	8.8	4.4	38.4	46.0	167.5	438.9	813.3	945.0	11.7	14,053.6	33,930.3	48,763.7	49,231.7	148,453.3	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.5	22.9	32.8	33.2
Aug	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.8	11.7	14,129.1	33,984.5	48,881.7	49,552.9	149,022.0	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.5	22.8	32.8	33.3
Sep	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.8	11.7	14,302.8	34,029.5	49,019.7	49,998.4	149,824.4	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.5	22.7	32.7	33.4
Oct	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.9	11.7	14,424.2	34,055.7	49,109.7	50,403.5	150,467.0	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.6	22.6	32.6	33.5
Nov	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.9	11.7	14,553.0	34,058.0	49,192.8	50,721.4	150,999.1	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.6	22.6	32.6	33.6
Dec	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.8	11.7	14,719.2	34,062.3	49,290.3	51,109.4	151,654.9	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.7	22.5	32.5	33.7
2023-Jan	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.8	11.7	14,823.7	34,064.3	49,330.4	51,448.8	152,140.9	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.7	22.4	32.4	33.8
Feb	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.7	11.7	14,957.2	34,067.4	49,421.3	51,802.8	152,722.4	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.8	22.3	32.4	33.9
Mar	8.8	4.4	38.4	46.0	167.5	438.9	813.3	944.7	11.7	15,069.2	34,064.8	49,455.5	52,181.3	153,244.5	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.8	22.2	32.3	34.1
Apr	8.8	4.4	38.4	46.0	167.5	438.9	813.2	944.5	11.7	15,211.6	34,065.9	49,492.7	52,589.3	153,812.8	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.9	22.1	32.2	34.2
May	8.8	4.4	38.4	46.0	167.5	438.9	813.2	944.5	11.7	15,358.6	34,065.8	49,505.1	53,011.1	154,413.9	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	9.9	22.1	32.1	34.3
Jun	8.8	4.4	38.4	46.0	167.5	438.9	813.2	944.5	11.7	15,500.2	34,065.4	49,535.7	53,303.3	154,877.9	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	10.0	22.0	32.0	34.4
Jun	8.8	4.4	38.4	46.0	167.5	438.9	813.2	944.5	11.7	15,650.0	34,060.6	49,553.5	53,187.3	154,924.8	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.6	0.0	0.0	10.1	22.0	32.0	34.3

Source: Bank of Tanzania

Note: ¹ excludes commemorative coins



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A3.0. Monetary Statistics

Table A3.6: Commercial Banks Assets

Millions of TZS

End of period	Domestic assets						Foreign assets			Total
	Cash	Deposit with Bank of Tanzania	Treasury securities	Other securities	Loans and bills	Other	Liquid	Others	Fixed assets	
2018	909,570.2	2,890,138.0	4,993,556.3	52,883.9	17,891,437.7	2,007,564.4	1,857,754.5	347,459.7	1,898,147.8	32,848,512.5
2019	1,026,366.4	2,667,139.0	5,169,348.7	100,747.5	20,380,565.8	2,397,788.0	1,938,558.4	501,205.4	2,118,896.2	36,300,615.5
2020	1,001,467.1	2,176,665.5	5,754,023.9	76,926.3	21,128,208.3	2,302,991.4	2,023,855.1	893,245.5	2,429,882.4	37,787,265.5
2021	1,001,281.4	3,264,421.8	6,767,274.9	84,364.7	23,523,534.5	2,505,607.6	2,478,301.8	729,261.4	2,554,952.0	42,909,000.0
2022	1,039,313.0	3,465,992.2	7,949,575.6	205,717.2	29,180,888.5	2,558,805.1	1,772,427.0	627,064.7	2,628,483.9	49,428,267.3
2022-Jan	974,606.5	3,225,367.0	6,933,945.5	96,078.6	23,431,390.7	2,453,944.4	2,156,495.7	522,349.5	2,563,005.5	42,357,183.4
Feb	874,725.6	3,184,129.0	7,149,365.6	92,428.6	23,916,480.0	2,468,772.3	2,110,003.4	687,383.4	2,565,391.4	43,048,679.3
Mar	880,419.4	3,232,697.5	7,162,257.5	87,137.0	24,697,923.3	2,481,132.4	2,105,852.5	410,001.2	2,584,620.9	43,642,041.8
Apr	902,869.8	3,437,287.6	6,981,202.3	88,655.0	24,930,891.3	2,458,453.4	1,721,842.0	437,994.4	2,610,813.6	43,570,009.4
May	940,844.6	3,270,695.5	7,203,120.0	93,368.6	25,338,251.2	2,387,728.4	1,973,349.6	656,877.8	2,611,613.2	44,475,849.0
Jun	1,024,477.1	3,541,680.2	7,173,641.4	91,901.1	25,977,989.2	2,406,749.8	2,283,732.4	642,897.8	2,606,144.2	45,749,213.1
Jul	909,346.3	3,229,938.4	7,216,534.0	92,189.3	26,217,632.8	2,420,742.1	1,852,318.5	661,382.8	2,593,329.7	45,193,413.9
Aug	1,031,720.2	3,859,843.0	7,202,053.0	161,328.0	26,888,462.6	2,397,553.9	2,071,488.7	655,921.4	2,602,811.2	46,871,182.2
Sep	1,011,673.9	3,285,235.3	7,439,931.2	174,828.1	27,280,415.4	2,448,892.5	1,891,874.4	819,423.9	2,602,600.4	46,954,875.2
Oct	1,029,641.6	3,377,884.6	7,712,316.4	175,345.4	28,130,503.7	2,654,256.1	1,674,203.7	542,686.2	2,607,133.7	47,903,971.5
Nov	1,051,732.4	3,033,335.8	7,789,592.8	178,799.3	29,087,238.3	2,587,539.5	1,742,162.4	636,799.9	2,599,621.2	48,706,821.7
Dec	1,039,313.0	3,465,992.2	7,949,575.6	205,717.2	29,180,888.5	2,558,805.1	1,772,427.0	627,064.7	2,628,483.9	49,428,267.3
2023-Jan	1,094,286.5	3,616,284.0	7,905,499.1	209,307.5	29,513,538.7	2,487,940.0	2,287,255.7	726,214.6	2,642,641.4	50,482,967.5
Feb	1,008,317.5	3,464,015.5	8,290,155.3	209,950.2	30,112,824.8	2,536,926.9	1,913,022.9	486,672.5	2,654,229.8	50,676,115.3
Mar	972,305.9	3,184,061.1	8,470,918.8	211,396.5	30,685,084.5	2,454,645.3	1,760,900.1	787,525.8	2,658,914.1	51,185,752.2
Apr	1,010,494.5	3,398,290.7	8,681,393.5	213,705.8	30,572,928.7	2,559,896.7	1,646,714.0	872,599.0	2,681,927.1	51,637,950.1
May	998,679.0	3,528,340.4	8,789,645.7	219,340.2	31,021,315.0	2,421,094.4	1,867,992.2	964,904.7	2,696,302.1	52,507,613.7
Jun	1,030,517.7	3,577,823.3	8,853,488.6	222,720.0	31,589,010.0	2,645,750.0	2,178,347.4	926,088.9	2,720,919.6	53,744,665.3

Source: Banks and Bank of Tanzania computations



Bank of Tanzania Annual Report 2022/23

A3.0. Monetary Statistics

Table A3.7: Commercial Banks Liabilities

Millions of TZS

End of period	Domestic liabilities			Foreign liabilities		Capital and reserves	Total	
	Deposits	Due to Bank of Tanzania	Due to other banks	Other	Foreign banks			Due to other
2018	20,562,827.0	106,750.0	1,646,188.6	3,540,200.2	473,485.7	1,794,250.1	4,724,810.8	32,848,512.5
2019	21,777,529.1	201,060.6	1,056,493.7	5,750,546.0	414,747.7	2,053,553.0	5,046,685.3	36,300,615.5
2020	23,067,883.2	191,514.2	1,697,201.8	4,934,241.8	350,628.7	2,152,707.7	5,393,088.1	37,787,265.5
2021	26,390,739.7	95,094.4	1,962,129.5	5,835,486.7	367,315.3	2,093,406.7	6,164,827.8	42,909,000.0
2022	30,724,928.3	90,596.6	1,760,011.4	6,268,386.0	378,532.0	3,316,291.0	6,889,521.9	49,428,267.3
2022-Jan	26,064,380.6	103,161.0	1,868,240.7	5,622,692.1	420,762.8	2,036,119.8	6,241,826.3	42,357,183.4
Feb	26,586,426.9	26,045.4	2,247,607.4	5,595,541.7	114,119.0	2,145,212.9	6,333,726.1	43,048,679.3
Mar	26,616,485.2	38,418.9	2,251,327.5	6,007,671.5	146,775.4	2,131,748.0	6,449,615.4	43,642,041.8
Apr	26,627,067.0	38,503.8	1,939,306.1	5,854,259.5	366,208.8	2,227,755.8	6,516,908.4	43,570,009.4
May	26,967,068.6	34,047.0	2,313,053.5	5,725,660.7	358,257.9	2,477,670.8	6,600,090.5	44,475,849.0
Jun	28,038,265.7	36,047.0	2,750,641.2	5,376,209.9	354,412.6	2,653,212.0	6,540,424.9	45,749,213.1
Jul	27,387,838.6	36,227.4	2,800,180.1	5,371,025.9	366,460.7	2,663,242.4	6,568,438.8	45,193,413.9
Aug	29,033,870.5	36,319.7	2,603,218.7	5,699,045.1	377,138.2	2,462,195.0	6,659,395.0	46,871,182.2
Sep	29,457,362.6	94,286.8	1,192,990.3	6,069,081.2	316,842.2	3,041,311.7	6,783,000.5	46,954,875.2
Oct	29,993,551.5	94,376.9	1,153,176.7	6,157,211.3	315,621.0	3,309,089.6	6,880,944.5	47,903,971.5
Nov	30,200,211.0	94,476.3	1,446,553.3	6,183,239.4	287,869.0	3,570,034.9	6,924,437.7	48,706,821.7
Dec	30,724,928.3	90,596.6	1,760,011.4	6,268,386.0	378,532.0	3,316,291.0	6,889,521.9	49,428,267.3
2023-Jan	31,362,959.5	94,554.5	1,441,540.7	6,421,589.6	386,559.1	3,771,802.1	7,003,962.0	50,482,967.5
Feb	31,450,852.2	94,753.0	1,523,150.4	6,418,127.6	406,658.4	3,694,607.4	7,087,966.4	50,676,115.3
Mar	31,722,684.4	164,838.8	1,436,509.2	6,533,650.8	453,242.0	3,649,067.9	7,225,759.2	51,185,752.2
Apr	32,052,881.2	164,931.1	1,269,112.0	7,004,048.0	430,060.4	3,453,992.8	7,262,924.6	51,637,950.1
May	32,346,648.5	165,023.8	1,419,378.0	6,689,938.4	645,474.8	3,890,299.8	7,350,850.2	52,507,613.7
Jun	33,744,553.2	142,374.5	1,830,516.5	6,805,601.4	601,250.5	3,381,363.3	7,239,005.9	53,744,665.3

Source: Banks and Bank of Tanzania computations



Bank of Tanzania Annual Report 2022/23

A3.0. Monetary Statistics

Table A3.8: Commercial Banks Domestic Assets

								Millions of TZS
End of period	Bank of Tanzania	Other financial corporation	Central governemnt	Public non-financial corporations	State and local government	Private sector	Other assets	Total
2018	3,799,708.2	654,653.9	5,089,523.4	594,853.4	84,941.3	16,300,873.2	4,118,744.9	30,643,298.3
2019	3,693,505.5	729,369.6	5,520,352.8	1,236,331.7	77,716.7	17,510,696.4	5,092,879.0	33,860,851.7
2020	3,178,132.6	708,478.0	6,116,261.4	667,741.1	79,768.4	18,729,896.0	5,389,887.4	34,870,164.9
2021	4,265,703.2	813,522.6	7,367,494.5	410,004.2	48,868.1	20,960,219.2	5,835,624.9	39,701,436.9
2022	4,505,305.3	570,315.4	8,658,168.6	297,824.1	58,186.3	26,344,253.0	6,594,722.9	47,028,775.6
2022-Jan	4,199,973.5	830,156.4	7,540,494.0	379,713.0	46,129.9	20,989,623.0	5,692,248.4	39,678,338.1
Feb	4,058,854.5	463,604.2	7,743,494.6	412,663.4	45,778.6	21,782,263.4	5,744,633.7	40,251,292.5
Mar	4,113,116.9	447,837.4	7,763,937.7	400,277.1	45,946.5	22,218,236.9	6,136,835.6	41,126,188.1
Apr	4,340,157.5	451,854.2	7,587,241.2	409,055.5	44,703.1	22,408,148.8	6,169,012.8	41,410,173.0
May	4,211,540.2	465,500.9	7,792,464.2	372,158.0	46,435.2	22,811,758.3	6,145,764.9	41,845,621.6
Jun	4,566,157.3	573,051.1	7,747,911.4	363,904.9	45,855.4	23,504,095.3	6,021,607.5	42,822,582.9
Jul	4,139,284.7	562,841.8	7,795,476.8	383,982.7	44,476.3	23,799,412.8	5,954,237.5	42,679,712.6
Aug	4,891,563.3	565,768.4	7,770,097.3	354,178.1	44,621.8	24,241,337.1	6,276,206.2	44,143,772.1
Sep	4,296,909.2	574,922.4	8,009,242.1	348,198.0	44,658.7	24,705,748.1	6,263,898.4	44,243,576.9
Oct	4,407,526.2	579,637.6	8,343,405.5	321,119.3	43,781.0	25,428,502.3	6,563,109.7	45,687,081.6
Nov	4,085,068.3	590,069.7	8,513,758.4	313,243.6	59,443.7	25,878,680.4	6,887,595.3	46,327,859.4
Dec	4,505,305.3	570,315.4	8,658,168.6	297,824.1	58,186.3	26,344,253.0	6,594,722.9	47,028,775.6
2023-Jan	4,710,570.5	571,239.2	8,622,140.0	281,110.6	57,177.2	26,509,062.2	6,718,197.5	47,469,497.2
Feb	4,472,333.0	651,134.9	9,005,398.7	261,763.2	57,370.2	26,887,148.2	6,941,271.6	48,276,419.9
Mar	4,156,367.0	657,906.4	9,193,503.2	269,881.6	57,162.3	27,450,766.3	6,851,739.6	48,637,326.3
Apr	4,408,785.2	703,060.9	9,401,946.1	335,434.3	54,841.1	27,511,385.3	6,703,184.2	49,118,637.1
May	4,527,019.4	679,444.6	9,492,494.0	268,494.7	53,894.2	28,058,127.0	6,595,242.9	49,674,716.8
Jun	4,608,340.9	661,774.8	9,668,346.0	257,902.8	55,117.8	28,726,153.3	6,662,593.5	50,640,229.1

Source: Banks and Bank of Tanzania computations



Bank of Tanzania Annual Report 2022/23

A3.0. Monetary Statistics

Table A3.9: Commercial Banks Lending and Holding of Securities

Millions of TZS

End of period	Domestic lending									Lending to deposit ratio	Securities
	Loans to other depository corporations	Loans to other financial corporations	Loans Central Government	Loans state and local government	Loans public non-financial corporations	Loans other non-financial corporations	Loans to other resident sectors	Loans to non-residents	Total		
2018	445,876.5	429,616.1	95,967.1	84,941.3	594,807.4	9,519,421.0	6,720,808.3	346,552.1	18,237,989.8	82.6	4,993,556.3
2019	854,568.9	473,492.0	351,004.1	77,716.7	1,236,328.7	9,069,779.6	8,317,675.7	486,697.2	20,867,263.0	87.8	5,160,470.1
2020	904,506.0	496,087.7	362,237.5	79,768.4	667,741.1	9,755,959.6	8,861,908.0	873,371.5	22,001,579.8	89.3	5,748,828.8
2021	1,098,184.6	581,294.3	559,335.6	48,868.1	410,004.2	9,818,147.9	11,007,699.8	708,631.3	24,232,165.8	87.3	6,764,805.3
2022	1,741,707.9	309,102.1	667,709.0	58,186.3	297,824.1	13,398,312.7	12,708,046.4	605,420.8	29,786,309.3	92.9	7,949,575.6
2022-Jan	1,010,666.1	578,521.8	565,664.4	46,129.9	379,713.0	9,724,103.7	11,126,591.7	501,698.4	23,933,089.1	87.3	6,931,469.5
Feb	1,047,767.3	211,025.6	553,245.0	45,778.6	412,663.4	10,678,657.7	10,967,342.3	666,709.1	24,583,189.1	87.6	7,146,884.2
Mar	1,396,352.2	207,742.1	560,796.2	45,946.5	400,277.1	11,127,481.3	10,959,327.9	389,145.3	25,087,068.7	89.4	7,159,771.8
Apr	1,433,167.4	204,024.6	565,154.9	44,703.1	409,055.5	10,927,493.8	11,347,292.0	417,120.3	25,348,011.6	89.8	6,978,711.2
May	1,476,580.8	220,938.4	548,460.2	46,435.2	372,158.0	11,320,807.5	11,352,871.1	635,981.7	25,974,232.9	92.5	7,201,457.1
Jun	1,378,026.4	288,779.4	533,386.0	45,855.4	363,904.9	11,793,787.7	11,574,249.3	621,278.7	26,599,267.8	93.4	7,171,975.6
Jul	1,308,487.6	275,396.4	538,058.7	44,476.3	383,982.7	11,993,390.4	11,673,840.7	639,767.1	26,857,399.9	90.5	7,216,534.0
Aug	1,635,985.4	287,960.9	527,160.2	44,621.8	354,178.1	12,393,272.2	11,645,283.9	634,305.5	27,522,768.2	94.7	7,202,053.0
Sep	1,576,608.5	292,040.2	528,426.8	44,658.7	348,198.0	12,568,523.6	11,921,959.6	797,809.8	28,078,225.2	91.4	7,439,931.2
Oct	1,661,957.9	295,924.0	590,205.1	43,781.0	321,119.3	12,998,476.4	12,219,040.1	521,070.7	28,651,574.4	92.3	7,712,316.4
Nov	2,047,339.7	317,666.8	683,281.6	59,443.7	313,243.6	13,286,810.1	12,379,452.9	615,169.0	29,702,407.3	93.8	7,789,592.8
Dec	1,741,707.9	309,102.1	667,709.0	58,186.3	297,824.1	13,398,312.7	12,708,046.4	605,420.8	29,786,309.3	92.9	7,949,575.6
2023-Jan	1,938,631.2	290,967.2	675,756.9	57,177.2	281,110.6	13,336,523.6	12,933,372.1	704,541.2	30,218,079.9	90.3	7,905,499.1
Feb	2,102,812.6	368,801.3	674,359.4	57,370.2	261,763.2	13,592,590.0	13,055,128.1	464,981.7	30,577,806.5	91.0	8,290,155.3
Mar	2,112,293.9	353,097.2	681,700.3	57,162.3	269,881.6	14,192,875.6	13,018,073.7	765,978.6	31,451,063.1	93.3	8,470,918.8
Apr	1,845,467.4	389,877.4	679,668.6	54,841.1	335,434.3	13,815,933.1	13,451,706.9	850,993.8	31,423,922.5	92.8	8,681,393.5
May	1,871,699.8	350,701.2	661,964.3	53,894.2	268,494.7	14,448,751.9	13,365,809.0	943,206.6	31,964,521.6	92.3	8,789,645.7
Jun	1,713,346.1	329,223.2	773,973.4	55,117.8	257,902.8	14,318,682.9	14,140,763.8	904,042.2	32,493,052.1	90.9	8,853,434.5

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.10: Commercial Banks Domestic Lending by Economic Activity

End of Period	Building and construction										Transport and communication				Trade				Hotels and restaurants				Warehouse and storage				Personal and other services				Total
	Agriculture	Fishing	Intermediaries	Financial	Mining and quarrying	Manufacturing	Construction	Real estate	Mortgage	Communication	Transport	Trade	Tourism	Hotels and restaurants	Warehouse and storage	Electricity	Gas	Water	Education	Health	Personal and other services										
2018	972,237.7	74,022.3	172,925.5	375,188.4	2,087,896.2	643,251.8	864,896.6	317,809.5	918,004.9	3,228,853.0	138,766.1	587,287.5	23,712.9	358,122.0	388,152.0	27,276.4	223,823.9	63,080.6	5,650,775.0	17,116,082.1											
2019	1,842,312.3	55,927.5	201,715.5	424,546.9	2,086,800.7	1,129,855.1	813,029.6	417,122.7	1,059,576.3	3,379,539.7	150,550.6	554,950.5	12,635.1	225,270.3	355,656.3	30,019.2	253,376.8	75,340.7	5,966,365.5	19,034,511.1											
2020	1,730,331.0	39,104.4	219,904.2	429,376.9	1,878,406.4	1,072,304.1	767,697.8	369,541.7	1,142,417.2	3,054,881.7	266,486.6	549,474.9	17,123.4	114,729.0	510,030.4	19,285.6	245,172.4	78,046.2	7,302,752.2	19,807,066.3											
2021	1,596,353.6	37,084.9	269,802.2	474,043.1	2,111,115.9	998,386.1	706,106.6	408,926.0	1,053,870.3	3,657,331.7	259,304.6	542,718.1	33,910.1	143,881.0	392,046.0	18,424.0	236,849.6	101,307.5	8,810,368.1	21,851,829.5											
2022	2,329,522.4	55,421.9	438,517.0	575,930.9	2,709,518.7	1,200,622.5	754,439.9	450,054.1	1,207,008.3	4,556,403.3	243,796.3	511,274.5	8,315.2	130,251.1	619,353.2	28,769.7	270,543.2	132,844.1	10,894,255.7	27,116,843.1											
2022-Jan	1,606,978.3	30,975.4	276,567.3	473,597.8	2,061,295.8	1,061,173.8	730,209.0	466,641.1	1,118,455.2	3,623,862.3	249,220.8	524,703.3	36,731.3	98,345.6	364,435.5	18,605.0	228,966.1	92,755.0	8,874,495.2	21,938,013.9											
Feb	1,697,204.9	36,033.5	256,501.4	531,502.2	2,266,487.3	1,052,391.4	727,249.0	407,238.7	1,057,398.4	3,591,743.5	260,616.5	525,912.4	33,765.9	116,374.9	441,425.1	19,410.4	233,298.4	100,110.8	9,012,482.4	22,367,147.1											
Mar	1,735,953.4	31,590.1	297,585.0	560,019.3	2,366,866.6	1,067,701.2	742,573.2	399,838.3	1,099,692.5	3,794,234.8	254,703.3	531,122.7	43,392.3	110,970.8	456,963.5	20,068.8	245,819.9	106,377.5	9,084,182.3	22,949,655.3											
Apr	1,829,632.3	33,450.5	291,065.5	558,705.5	2,337,833.9	1,045,381.4	731,720.5	395,224.7	1,004,990.2	3,847,968.1	249,478.5	519,532.3	42,782.6	117,898.9	477,362.1	21,072.8	238,313.5	102,241.1	9,261,483.8	23,106,138.3											
May	1,869,888.7	34,302.1	295,237.1	599,181.4	2,419,530.4	1,087,584.8	712,645.0	399,350.9	994,865.7	3,948,858.2	239,967.5	528,539.2	42,654.2	121,351.3	419,763.7	21,621.5	243,696.8	111,166.6	9,320,188.3	23,410,393.5											
Jun	1,986,031.5	33,725.3	364,738.2	591,598.8	2,499,358.5	1,110,551.8	728,482.2	417,165.7	1,081,479.3	3,965,091.1	246,178.3	537,412.3	36,663.1	150,025.3	593,545.9	20,484.1	239,845.3	120,141.8	9,399,248.0	24,131,866.4											
Jul	2,002,917.4	46,684.5	362,876.1	639,854.9	2,622,863.8	1,118,926.8	742,319.1	418,023.3	1,109,967.8	3,905,070.8	240,129.4	525,902.1	37,645.1	136,585.4	582,052.2	20,885.9	242,437.4	133,778.2	9,561,838.0	24,430,778.1											
Aug	2,028,677.1	46,130.9	382,641.4	612,745.2	2,760,123.1	1,072,938.1	755,273.4	430,570.3	1,190,991.1	3,883,933.6	241,202.2	524,447.0	35,980.7	131,171.7	446,520.1	20,593.8	246,893.6	141,325.9	9,822,095.1	24,774,364.1											
Sep	2,083,411.3	49,792.8	393,756.5	571,072.3	2,868,453.3	1,162,913.0	777,270.7	425,649.6	1,181,231.5	3,981,055.6	241,299.6	534,822.2	21,989.4	123,749.1	465,564.4	20,656.7	249,775.2	135,577.9	10,118,393.3	25,406,434.5											
Oct	2,313,053.2	50,314.6	444,494.8	648,047.2	2,729,416.6	1,085,311.3	816,498.3	427,003.3	1,214,219.8	4,165,243.0	238,924.9	532,804.0	6,609.0	123,281.6	527,766.1	20,497.1	257,067.3	139,719.5	10,300,495.1	26,040,766.6											
Nov	2,321,675.3	53,818.1	453,102.9	654,361.7	2,682,923.9	1,194,217.3	795,993.9	434,377.4	1,179,219.9	4,443,699.2	241,380.2	531,516.8	6,591.4	130,717.5	575,342.2	21,628.5	273,531.0	144,064.4	10,445,764.4	26,583,926.1											
Dec	2,329,522.4	55,421.9	438,517.0	575,930.9	2,709,518.7	1,200,622.5	754,439.9	450,054.1	1,207,008.3	4,556,403.3	243,796.3	511,274.5	8,315.2	130,251.1	619,353.2	28,769.7	270,543.2	132,844.1	10,894,255.7	27,116,843.1											
2023 - Jan	2,367,381.7	55,006.8	424,812.7	590,812.4	2,651,513.2	1,227,482.6	728,850.3	447,943.4	1,196,913.0	4,366,885.5	244,221.0	518,989.5	10,951.7	120,793.2	735,291.2	28,903.0	258,356.3	133,950.5	11,112,662.9	27,221,521.0											
Feb	2,405,084.7	55,355.5	501,131.1	605,954.2	2,731,650.4	1,208,007.5	717,565.0	461,112.9	1,234,802.7	4,422,359.3	246,769.8	513,700.8	10,493.2	117,925.7	630,843.3	28,247.0	259,999.8	132,849.3	11,366,907.9	27,650,761.0											
Mar	2,461,850.2	53,828.7	482,089.2	605,471.1	2,769,498.0	1,251,162.3	707,534.9	458,271.1	1,267,454.7	4,483,175.4	245,545.1	521,265.1	10,188.4	127,503.2	912,611.5	28,627.5	263,335.1	137,040.0	11,461,921.4	28,248,373.1											
Apr	2,491,084.9	54,504.9	470,898.1	651,959.7	2,722,850.6	1,241,094.6	711,816.0	469,786.9	1,280,244.5	4,606,721.9	250,213.3	520,091.0	10,047.6	125,914.2	811,611.7	28,779.1	235,488.7	133,685.7	11,550,335.9	28,367,129.3											
May	2,637,096.3	49,950.4	486,962.5	632,326.1	2,696,029.9	1,244,506.2	654,562.8	526,765.8	1,260,776.8	4,597,229.2	254,426.6	516,355.5	9,055.8	139,285.8	794,296.3	28,514.2	304,628.9	127,993.4	11,831,963.3	28,792,725.7											
Jun	2,810,161.7	51,618.1	531,058.1	630,437.0	2,850,998.5	1,344,509.5	711,381.5	511,282.6	1,320,502.0	4,816,674.9	290,857.1	522,229.8	8,453.9	126,787.5	799,386.6	20,385.1	302,904.8	150,190.3	11,768,050.1	29,567,869.1											

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.11: Commercial Banks Deposits

Millions of TZS

End of period	Central government	State and local government	Other financial corporations	Public non-financial corporation	Other non-financial corporation	Other residents	Other depository corporation	Deposits of non-residents	Total	of which		
										Transferrable deposits in national currency	Other deposits in national currency*	Foreign currency deposits
2018	358,472.4	244,120.1	1,346,079.4	766,159.5	316,584.2	17,889,883.8	689,758.9	473,485.7	22,084,544.1	7,678,712.3	7,204,236.7	7,201,595.0
2019	952,302.2	203,880.0	1,456,892.8	706,711.0	294,180.4	19,115,864.9	619,905.5	414,747.7	23,764,484.6	8,575,824.7	8,415,445.8	6,773,214.1
2020	652,818.2	203,338.5	1,558,019.3	644,191.4	283,837.4	20,378,496.6	574,069.9	350,628.7	24,645,400.0	8,795,011.5	8,867,086.7	6,983,301.8
2021	422,416.9	617,454.1	1,474,375.4	1,452,656.5	1,256,693.6	21,589,560.1	566,499.8	367,315.3	27,746,971.7	10,609,080.9	9,366,653.2	7,771,237.5
2022	703,533.6	416,636.6	2,464,930.2	2,099,659.7	423,421.6	25,320,280.2	780,076.0	378,532.0	32,587,069.9	13,033,371.9	11,267,198.7	8,286,499.3
2022-Jan	386,984.1	549,681.6	1,583,535.0	1,864,564.8	306,016.6	21,760,582.6	541,377.3	420,762.8	27,413,504.8	10,529,763.3	9,301,765.6	7,581,975.9
Feb	393,066.9	506,324.0	1,819,278.8	2,082,344.8	321,313.5	21,857,165.7	965,258.1	114,119.0	28,058,870.9	10,751,973.1	9,673,206.5	7,633,691.3
Mar	439,464.7	540,666.5	1,953,932.3	2,112,288.3	298,913.7	21,710,684.3	1,015,707.4	146,775.4	28,218,432.6	10,858,615.9	9,814,000.3	7,545,816.4
Apr	383,491.5	451,812.4	1,722,800.1	2,335,700.1	1,109,774.1	21,006,980.3	709,751.5	366,208.8	28,086,518.8	10,713,645.2	9,897,570.3	7,475,303.3
May	472,460.6	405,571.2	1,718,451.7	2,036,749.5	325,797.7	22,480,498.5	689,859.1	358,257.9	28,487,646.2	10,709,286.0	10,002,588.0	7,775,772.2
Jun	505,387.1	389,371.2	2,047,896.0	2,040,563.2	376,501.8	23,183,933.5	768,690.7	354,412.6	29,666,756.0	11,103,084.0	10,509,759.8	8,053,912.3
Jul	557,459.4	386,122.7	1,952,698.2	1,517,692.7	399,903.3	23,131,421.7	765,767.8	366,460.7	29,077,526.5	11,024,603.7	10,514,672.7	7,538,250.2
Aug	539,196.8	379,603.2	2,287,177.9	1,609,460.4	389,490.1	24,368,138.8	767,039.6	377,138.2	30,717,245.2	12,034,960.7	10,535,851.8	8,146,432.7
Sep	726,624.3	456,953.5	2,322,755.7	1,713,182.9	832,082.5	24,132,388.0	557,768.2	316,842.2	31,058,597.3	11,927,446.7	10,915,594.5	8,215,556.1
Oct	803,346.5	527,713.8	2,312,042.4	2,005,353.6	814,855.0	24,333,586.7	537,912.8	315,621.0	31,650,431.9	12,430,786.3	11,120,644.8	8,099,000.7
Nov	869,809.3	439,713.1	2,266,149.0	2,160,292.7	410,529.0	24,923,527.1	711,805.5	287,869.0	32,069,694.9	12,681,273.8	11,226,176.9	8,162,244.1
Dec	703,533.6	416,636.6	2,464,930.2	2,099,659.7	423,421.6	25,320,280.2	780,076.0	378,532.0	32,587,069.9	13,033,371.9	11,267,198.7	8,286,499.3
2023-Jan	869,490.9	461,928.3	2,401,972.4	2,072,335.6	473,287.8	25,953,435.5	836,708.7	386,559.1	33,455,718.2	13,295,216.5	11,410,838.3	8,749,663.4
Feb	875,207.5	445,156.2	2,394,064.6	2,139,354.1	497,207.7	25,975,069.6	857,525.1	406,658.4	33,590,243.1	13,419,218.8	11,524,535.2	8,646,489.1
Mar	767,322.1	411,293.0	2,407,373.4	2,128,706.5	476,035.3	26,299,276.1	768,078.5	453,242.0	33,711,326.9	13,161,287.4	11,754,811.5	8,795,227.9
Apr	842,137.5	667,909.6	3,479,979.6	1,583,232.1	1,491,270.0	24,830,489.8	538,671.0	430,060.4	33,863,750.0	13,461,039.2	11,710,117.9	8,692,592.9
May	949,521.6	668,048.3	3,661,821.2	1,471,242.4	469,635.4	26,075,901.1	708,003.5	645,474.8	34,649,648.5	13,696,818.3	11,907,850.0	9,044,980.2
Jun	756,568.0	731,727.9	2,602,915.1	1,959,666.2	455,779.6	27,994,464.4	632,725.6	601,250.5	35,735,097.2	13,886,320.4	12,058,118.1	9,790,658.7

Source: Banks and Bank of Tanzania computations

Note: * include time and saving deposits



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A3.0. Monetary Statistics

Table A3.12: Interest Rate Structure, Weighted Averages

	2018	2019	2020	2021	2022	2023					
						Jan	Feb	Mar	Apr	May	Jun
Percent											
In Domestic currency											
1 Interbank cash market rates											
Overnight	1.99	4.73	3.89	3.80	3.10	3.45	4.15	2.10	4.12	3.25	3.92
2 to 7 days	2.46	5.27	4.56	4.42	4.58	4.61	4.81	4.91	4.88	5.11	5.28
8 to 14 days	2.82	5.66	5.01	4.68	4.72	4.46	4.99	5.16	5.04	5.19	5.24
15 to 30 days	3.73	5.99	4.83	4.45	5.10	5.63	5.66	5.84	5.31	5.63	6.22
31 to 60 days	5.00	6.24	5.90	4.80	5.40	5.90	6.05	6.02	6.35	6.58	6.55
61 to 90 days	3.75	7.88	5.65	5.95	6.31	6.93	7.00	5.80	5.80	5.80	6.80
91 to 180 days	15.00	13.01	6.48	5.95	6.85	7.00	7.00	6.44	6.95	6.83	7.00
181 days and above	12.94	11.28	7.92	8.93	8.65	9.50	9.50	9.50	9.53	9.53	10.88
Overall interbank cash market	2.21	5.13	4.50	4.44	4.53	4.68	4.94	4.85	4.92	5.02	5.25
2 Lombard rate	3.89	7.35	5.98	5.70	4.65	5.17	6.22	3.15	6.18	4.87	5.89
3 REPO rate	2.06	4.50	4.50	4.50	4.02	3.00	2.90	2.99	2.82	2.96	2.80
4 Reverse repo rate	4.49	5.29	5.95	5.68	6.21	6.29	6.29	6.29	6.29	6.29	6.29
5 Treasury bills rates											
35 days	2.51	3.47	2.37	2.60	2.25	2.26	3.49	3.45	3.46	3.45	3.45
91 days	2.89	4.17	2.88	2.74	2.80	3.65	4.00	4.00	4.00	3.98	3.96
182 days	4.13	5.07	3.32	3.20	3.47	4.60	5.23	5.08	5.00	5.20	5.80
364 days	7.08	8.04	4.68	4.85	4.79	7.15	7.12	6.61	6.72	6.98	7.14
Overall treasury bills rate	6.43	7.71	4.42	4.78	4.64	6.78	6.34	5.81	6.65	6.65	6.48
6 Treasury bonds rates											
2-years	9.42	11.45	8.14	7.67	6.56	9.37	9.37	9.37	9.13	9.13	9.13
5-years	11.64	12.56	11.24	9.19	9.04	9.67	9.67	9.67	9.67	9.85	9.85
7-years	12.62	13.09	11.48	10.09	9.58	9.71	9.71	9.71	9.71	9.71	9.71
10-years	14.39	15.04	12.51	11.59	10.63	10.77	11.05	11.05	11.05	11.22	11.22
15-years	14.69	15.52	14.05	13.59	11.70	11.43	11.43	11.63	11.63	11.63	11.96
20-years	17.70	17.35	15.79	15.27	12.22	12.23	12.61	12.61	12.85	12.85	13.08
25-years				16.06	12.76	12.76	12.76	12.96	13.01	13.23	13.60
7 Discount rate	8.17	7.00	5.67	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
8 Savings deposit rate	2.52	2.45	2.34	1.96	1.69	1.63	1.60	1.56	1.60	1.60	1.66
9 Overall time deposits rate	8.24	7.25	6.70	6.82	7.11	7.38	7.18	6.78	6.79	6.91	7.08
1 month	9.25	8.51	8.13	7.55	7.16	7.88	6.91	7.64	6.08	6.77	9.08
2 months	8.88	7.25	6.41	7.26	7.70	8.68	8.19	8.69	8.64	8.13	7.17
3 months	8.20	7.10	6.69	6.94	7.56	7.87	8.47	7.94	8.25	8.32	7.43
6 months	8.63	7.81	7.48	7.59	7.90	8.45	8.41	7.72	8.22	7.49	7.72
12 months	8.78	8.80	8.28	8.27	8.53	8.66	8.78	7.94	7.70	8.34	8.68
24 months	12.05	9.81	8.66	8.61	8.88	8.87	8.25	6.35	7.48	8.14	8.43
10 Negotiated deposit rate	9.53	8.92	9.26	9.47	9.59	9.30	9.37	9.31	9.46	9.24	8.82
11 Overall lending rate	17.43	16.97	16.66	16.59	16.18	16.29	15.96	15.83	15.91	15.96	16.02
Short-term (up to 1 year)	18.25	16.69	15.73	16.43	16.79	17.69	16.85	16.67	16.55	16.60	17.10
Medium-term (1-2 years)	18.60	18.22	18.28	18.05	17.48	17.57	17.25	17.05	17.24	17.36	17.17
Medium-term (2-3 years)	17.48	17.71	17.41	16.73	16.24	16.10	15.96	15.87	15.92	16.11	15.99
Long-term (3-5 years)	17.41	16.63	16.21	16.01	15.66	15.61	15.41	15.37	15.57	15.54	15.68
Term Loans (over 5 years)	15.39	15.58	15.68	15.73	14.74	14.50	14.32	14.19	14.26	14.21	14.18
12 Negotiated lending rate	15.91	14.46	13.71	13.87	14.02	14.19	13.75	13.59	13.65	13.02	13.11
In Foreign currency											
1 Deposits rates											
Savings deposits rate	1.03	2.29	1.58	0.49	0.32	0.33	0.38	0.55	0.08	0.07	0.05
Overall time deposits rate	3.71	2.57	2.26	3.11	3.27	3.35	3.18	3.08	3.10	3.28	3.34
1-months	3.66	2.01	1.22	2.93	2.61	3.78	2.56	2.53	2.09	3.51	2.94
2-months	3.99	2.86	2.31	3.23	3.24	2.65	2.88	2.34	3.73	2.29	3.89
3-months	3.81	2.73	2.61	2.80	3.42	3.31	3.28	3.60	2.33	3.88	2.66
6-months	3.86	2.48	2.52	3.15	3.50	3.25	3.42	3.28	3.75	3.70	3.78
12-months	3.23	2.75	2.63	3.43	3.57	3.79	3.76	3.66	3.59	3.03	3.44
2 Overall lending rate	7.88	7.65	6.50	7.90	8.17	8.18	8.17	8.16	7.33	7.46	7.77
Short-term (up to 1 year)	8.29	7.59	7.94	8.70	8.57	8.61	8.57	8.55	9.06	9.25	9.16
Medium-term (1-2 years)	7.89	7.92	4.74	7.92	8.80	8.82	8.82	8.80	5.18	5.41	6.92
Medium-term (2-3 years)	7.64	7.94	6.03	6.70	7.06	7.06	7.04	7.04	7.40	7.53	7.68
Long-term (3-5 years)	7.79	7.85	7.90	8.74	8.87	8.88	8.87	8.87	7.67	7.86	7.46
Term Loans (over 5 years)	7.78	6.93	5.92	7.43	7.54	7.55	7.55	7.55	7.34	7.27	7.62

Source: Bank of Tanzania, banks and Bank of Tanzania computations



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.1: Balance of Payments

Item	2018	2019	2020	2021	2022 ^P
Millions of USD					
A. Current account	-2,308.7	-1,340.2	-1,458.5	-2,374.3	-5,397.1
Goods: exports f.o.b.	4,292.7	5,377.6	6,371.7	6,756.2	7,223.8
Traditional	667.5	817.7	808.1	627.9	766.5
Non-traditional	3,234.9	4,186.0	5,253.3	5,763.0	6,058.4
o/w: Gold	1,541.9	2,215.1	2,957.5	2,737.1	2,835.1
Unrecorded trade	390.2	373.8	310.4	365.4	399.0
Goods: imports f.o.b.	-8,519.7	-8,615.2	-7,831.7	-10,003.4	-14,208.7
Balance on goods	-4,227.0	-3,237.6	-1,460.0	-3,247.1	-6,984.9
Services: credit	4,014.7	4,281.0	2,183.8	3,117.7	4,762.0
Transport	1,222.1	1,350.1	1,281.7	1,558.1	1,872.0
Travel	2,449.4	2,604.5	714.5	1,310.3	2,527.8
Other	343.2	326.4	187.5	249.3	362.2
Services: debit	-1,925.7	-1,788.4	-1,319.0	-1,607.0	-2,465.4
Transport	-609.5	-683.5	-607.0	-806.4	-1,378.4
Travel	-738.1	-651.1	-203.8	-196.2	-357.5
Other	-578.2	-453.9	-508.2	-604.4	-729.5
Balance on services	2,088.9	2,492.5	864.7	1,510.7	2,296.6
Balance on goods and services	-2,138.0	-745.0	-595.2	-1,736.4	-4,688.3
Primary Income: credit	155.9	212.4	111.2	102.5	183.9
o/w: Investment income	108.5	150.4	97.7	79.5	120.3
Compensation of employees	47.4	62.1	13.5	23.0	63.6
Primary income: debit	-795.2	-1,226.2	-1,375.7	-1,294.2	-1,475.4
o/w: Direct investment income	-439.0	-766.3	-913.3	-906.4	-982.7
Interest payments	-302.1	-398.3	-383.7	-301.8	-395.2
Compensation of employees	-37.6	-37.9	-34.9	-35.8	-45.0
Balance on primary income	-639.2	-1,013.7	-1,264.5	-1,191.6	-1,291.5
Balance on goods, services and primary income	-2,777.3	-1,758.7	-1,859.8	-2,928.0	-5,979.8
Secondary income: credit	535.8	474.9	453.9	640.1	699.9
Government	170.3	103.5	141.2	104.7	65.6
Financial corporations, nonfinancial corporations, households and NPISHs	365.5	371.4	312.7	535.4	634.3
o/w: Personal transfers	365.5	371.4	312.7	535.4	634.3
Secondary income: debit	-67.3	-56.4	-52.7	-86.4	-117.2
Balance on secondary income	468.5	418.5	401.2	553.7	582.7
B. Capital account	464.1	481.2	344.3	390.2	274.0
Capital transfers: credit	464.1	481.2	344.3	390.2	274.0
General Government	400.3	416.8	270.4	324.9	208.7
Other capital transfer (Investment grant)	394.3	416.8	256.1	313.5	208.7
Debt forgiveness (including MDRI)	6.0	0.0	14.3	11.4	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	63.8	64.4	73.9	65.3	65.3
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-1,844.7	-859.0	-1,114.2	-1,984.1	-5,123.1
C. Financial account, excl. reserves and related items	1,616.7	2,518.8	898.8	4,037.6	3,565.9
Direct investments	-971.6	-1,217.2	-943.8	-1,190.5	-1,264.7
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	971.6	1,217.2	943.8	1,190.5	1,264.7
Portfolio investment	-8.2	37.8	-3.6	-7.4	29.9
Other investment	653.3	1,263.7	-41.3	2,854.5	2,271.3
Assets	-149.8	-19.9	-19.8	-89.8	205.4
Loans (Deposit-taking corporations, except the central bank)	-35.2	-60.8	-167.3	71.6	46.2
Currency and deposits	-114.5	34.9	145.2	-161.7	158.8
Deposit-taking corporations, except the central bank	-206.9	-32.4	-34.0	-197.9	314.7
Other sectors	92.4	67.3	179.2	36.2	-155.8
Other assets	0.0	-5.9	-2.3	-0.3	-0.4
Liabilities	803.1	1,283.6	-21.5	2,944.3	2,065.9
Trade credits	21.4	-8.9	10.1	-1.7	5.0
Loans	744.2	1,317.3	-3.6	2,937.5	2,059.4
Monetary authority	0.0	0.0	0.0	543.0	0.0
SDR allocation	0.0	0.0	0.0	543.0	0.0
General government	408.5	1,323.4	-63.3	2,339.1	1,145.9
Drawings	1,115.0	2,087.4	937.1	3,486.6	2,310.0
Repayments	-706.5	-764.0	-1,000.4	-1,147.5	-1,164.2
o/w: Debt forgiveness	-6.0	0.0	-14.3	-11.4	0.0
Deposit-taking corporations, except the central bank	-32.2	88.2	37.2	-10.7	499.4
Other sectors	367.9	-94.3	22.4	66.1	414.2
Drawings	467.6	365.2	281.8	288.8	581.0
Repayments	-99.7	-459.5	-259.4	-222.7	-166.8
Currency and deposits	37.6	-24.7	-28.1	8.5	1.4
Total, Groups A through C	-228.0	1,659.7	-215.4	2,053.5	-1,557.2
D. Net errors and omissions	-556.1	-1,072.7	-549.5	-201.4	568.8
Overall balance (Total, Groups A through D)	-784.0	587.0	-764.9	1,852.1	-988.4
E. Reserves and related items	784.0	-587.0	764.9	-1,852.1	988.4
Reserve assets	871.9	-525.0	790.1	-1,840.2	988.4
Use of Fund credit and loans	-87.9	-62.0	-25.2	-11.9	0.0
GDP(mp) billions of TZS	129,043.9	139,641.9	151,166.4	161,528.2	174,626.8
GDP(mp) millions of USD	57,003.7	61,026.7	65,892.2	70,298.0	75,824.2
CAB/GDP	-4.1	-2.2	-2.2	-3.4	-7.1
Gross official reserves	5,044.6	5,567.6	4,767.7	6,386.0	5,177.2
Months of imports(Excluding FDI related imports)	4.9	6.4	5.6	6.6	4.7
Exchange rate (end of period)	2,281.2	2,287.9	2,298.5	2,297.6	2,308.9
Exchange rate (annual average)	2,263.8	2,288.2	2,294.1	2,297.8	2,303.0

Source: Bank of Tanzania, Tanzania Revenue Authority and Bank of Tanzania computations

Note: Data from 2018 to 2020 have been revised; p denotes provisional data; o/w, of which; NPISHs, non-profit institution serving households; MDRI, multilateral debt relief initiative; CAB, current account balance; and FDI, foreign direct investment



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.2: Balance of Payments

Item	2018	2019	2020	2021	2022 ^p
Millions of TZS					
A. Current account	-5,228,273.9	-3,066,856.8	-3,344,390.0	-5,454,470.5	-12,432,781.7
Goods: exports f.o.b.	9,720,088.1	12,305,449.6	14,620,150.6	15,523,687.1	16,639,962.0
Traditional	1,509,195.3	1,871,336.0	1,853,645.6	1,442,220.1	1,766,448.0
Non-traditional	7,327,248.5	9,578,768.2	12,054,333.6	13,241,962.9	13,954,426.7
o/w: Gold	3,492,560.8	5,068,720.9	6,786,265.3	6,289,142.0	6,530,001.3
Unrecorded trade	883,644.4	855,345.5	712,171.4	839,504.1	919,087.3
Goods: imports f.o.b.	-19,294,814.6	-19,713,652.6	-17,967,329.1	-22,983,447.2	-32,730,312.2
Balance on goods	-9,574,726.4	-7,408,203.0	-3,347,178.4	-7,459,760.1	-16,090,350.1
Services: credit	9,090,083.8	9,795,843.3	5,008,927.3	7,163,130.3	10,969,348.8
Transport	2,766,301.2	3,089,378.9	2,940,579.4	3,579,858.6	4,311,337.8
Travel	5,546,757.3	5,959,687.5	1,638,339.1	3,010,538.0	5,823,528.8
Other	777,025.4	746,776.9	430,008.8	572,733.8	834,482.2
Services: debit	-4,358,401.2	-4,092,544.9	-3,025,407.8	-3,692,272.4	-5,679,323.1
Transport	-1,380,212.6	-1,564,048.6	-1,392,613.6	-1,852,752.3	-3,175,580.1
Travel	-1,669,220.9	-1,489,878.3	-467,150.9	-450,851.2	-823,379.2
Other	-1,308,967.7	-1,038,618.1	-1,165,643.3	-1,388,668.8	-1,680,363.8
Balance on services	4,731,682.6	5,703,298.3	1,983,519.5	3,470,858.0	5,290,025.7
Balance on goods and services	-4,843,043.8	-1,704,904.7	-1,363,658.9	-3,988,902.2	-10,800,324.4
Primary Income: credit	353,238.5	486,126.6	254,857.0	235,572.8	423,573.0
o/w: Investment income	245,774.0	344,055.6	224,010.0	182,686.6	277,124.9
Compensation of employees	107,464.5	142,071.0	30,847.0	52,886.2	146,448.1
Primary income: debit	-1,799,071.1	-2,805,769.4	-3,156,033.0	-2,973,451.3	-3,398,067.9
o/w: Direct investment income	-993,857.6	-1,753,437.8	-2,095,165.4	-2,082,630.1	-2,263,259.5
Interest payments	-682,990.1	-911,564.0	-880,079.4	-693,161.3	-910,362.4
Compensation of employees	-84,966.2	-86,887.0	-80,024.1	-82,348.6	-103,601.5
Balance on primary income	-1,445,832.6	-2,319,642.8	-2,901,176.0	-2,737,878.5	-2,974,494.9
Balance on goods, services and primary income	-6,288,876.4	-4,024,547.5	-4,264,834.9	-6,726,780.7	-13,774,819.3
Secondary income: credit	1,212,710.3	1,086,759.8	1,041,300.1	1,470,811.7	1,612,000.9
Government	385,314.5	236,882.9	323,692.1	240,613.6	151,162.0
Financial corporations, nonfinancial corporations, households and NPISHs	827,395.8	849,876.9	717,607.9	1,230,198.1	1,460,838.9
o/w: Personal transfers	827,395.8	849,876.9	717,607.9	1,230,198.1	1,460,838.9
Secondary income: debit	-152,107.8	-129,069.1	-120,855.2	-198,501.6	-269,963.2
Balance on secondary income	1,060,602.5	957,690.7	920,444.9	1,272,310.1	1,342,037.7
B. Capital account	1,049,690.7	1,100,930.5	790,171.6	896,562.7	631,689.3
Capital transfers: credit	1,049,690.7	1,100,930.5	790,171.6	896,562.7	631,689.3
General Government	905,251.3	953,494.8	620,608.7	746,527.7	481,268.0
Other capital transfer (Investment grant)	891,661.5	953,494.8	587,751.8	720,324.6	481,268.0
Debt forgiveness (including MDRI)	13,589.8	0.0	32,856.9	26,203.1	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	144,439.4	147,435.7	169,562.9	150,035.0	150,421.2
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-4,178,583.2	-1,965,926.3	-2,554,218.4	-4,557,907.8	-11,801,092.4
C. Financial account, excl. reserves and related items	3,662,128.8	5,764,230.7	2,062,849.3	9,279,350.9	8,219,812.9
Direct investments	-2,199,436.9	-2,785,287.4	-2,165,135.6	-2,735,505.3	-2,913,172.2
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	2,199,436.9	2,785,287.4	2,165,135.6	2,735,505.3	2,913,172.2
Portfolio investment	-18,393.1	86,379.4	-8,301.1	-16,869.1	68,603.9
Other investment	1,481,084.9	2,892,563.9	-93,985.1	6,560,714.7	5,238,036.7
Assets	-337,053.3	-45,780.0	-45,211.3	-205,834.8	477,021.7
Loans (Deposit-taking corporations, except the central bank)	-79,215.9	-138,931.0	-384,325.2	164,301.8	106,278.5
Currency and deposits	-257,816.8	79,546.7	333,818.9	-370,900.4	369,833.7
Deposit-taking corporations, except the central bank	-467,650.1	-74,597.4	-79,014.4	-454,248.4	724,223.9
Other sectors	209,833.3	154,144.1	412,833.3	83,348.0	-354,390.1
Other assets	-20.6	13,604.4	5,294.9	763.8	909.4
Liabilities	1,818,138.3	2,938,343.9	-48,773.8	6,766,549.5	4,761,015.1
Trade credits	48,530.1	-20,465.8	23,291.6	-3,893.9	11,474.2
Loans	1,683,920.9	3,014,834.8	-7,626.8	6,750,936.6	4,746,246.3
Monetary authority	0.0	0.0	0.0	1,248,558.1	0.0
SDR allocation	0.0	0.0	0.0	1,248,558.1	0.0
General government	924,627.9	3,028,764.2	-146,122.4	5,375,477.4	2,640,330.4
Drawings	2,522,127.6	4,777,248.0	2,149,164.3	8,011,573.6	5,321,808.2
Repayments	-1,597,499.7	-1,748,483.8	-2,295,286.6	-2,636,096.2	-2,681,477.9
o/w: Debt forgiveness	-13,589.8	0.0	-32,856.9	-26,203.1	0.0
Deposit-taking corporations, except the central bank	-71,129.6	202,053.9	86,574.5	-25,375.5	1,151,225.8
Other sectors	830,422.5	-215,983.2	51,921.1	152,276.6	954,690.1
Drawings	1,055,550.8	835,495.7	646,953.7	663,737.9	1,338,095.3
Repayments	-225,128.3	-1,051,478.9	-595,032.7	-511,461.3	-383,405.2
Currency and deposits	85,687.4	-56,025.1	-64,438.7	19,506.8	3,294.6
Total, Groups A through C	-516,454.4	3,798,304.4	-491,369.1	4,721,443.1	-3,581,279.5
D. Net errors and omissions	-1,254,397.1	-2,453,917.8	-1,263,659.6	-461,890.1	1,311,762.2
Overall balance (Total, Groups A through D)	-1,770,851.5	1,344,386.6	-1,755,028.7	4,259,553.0	-2,269,517.3
E. Reserves and related items	1,770,851.5	-1,344,386.6	1,755,028.7	-4,259,553.0	2,269,517.3
Reserve assets	1,970,315.0	-1,202,534.3	1,812,856.3	-4,232,112.8	2,269,517.3
Use of Fund credit and loans	-199,463.5	-141,852.3	-57,827.6	-27,440.3	0.0
GDP(mp) billions of TZS	129,043.9	139,641.9	151,166.4	161,528.2	174,626.8
GDP(mp) millions of USD	57,003.7	61,026.7	65,892.2	70,298.0	75,824.2
CAB/GDP	-4.1	-2.2	-2.2	-3.4	-7.1
Gross official reserves	5,044.6	5,567.6	4,767.7	6,386.0	5,177.2
Months of imports(Excluding FDI related imports)	4.9	6.4	5.6	6.6	4.7
Exchange rate (end of period)	2,281.2	2,287.9	2,298.5	2,297.6	2,308.9
Exchange rate (annual average)	2,263.8	2,288.2	2,294.1	2,297.8	2,303.0

Source: Bank of Tanzania, Tanzania Revenue Authority and Bank of Tanzania computations

Note: Data from 2018 to 2020 have been revised; p denotes provisional data; o/w, of which; NPISHs, non-profit institution serving households; MDRI, multilateral debt relief initiative; CAB, current account balance; and FDI, foreign direct investment



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.3: Tanzania Exports (f.o.b) by Type of Commodity

Commodity	Millions of USD				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^p
Traditional exports	507.9	995.9	578.4	737.8	752.3
Cashewnuts	2.1	500.1	233.5	230.0	164.4
Cloves	1.7	23.3	1.6	62.3	54.6
Coffee	161.7	124.8	138.0	164.3	186.9
Cotton	80.1	118.8	54.4	82.6	108.9
Sisal	19.0	17.5	19.1	20.1	27.0
Tea	49.5	32.4	31.9	32.1	32.5
Tobacco	193.8	179.0	99.8	146.4	178.0
Non-traditional exports	3,640.1	4,574.9	5,557.4	5,959.1	6,211.7
Minerals	1,872.4	2,903.9	3,256.9	3,196.7	3,562.5
Gold	1,754.1	2,591.3	3,025.0	2,692.0	2,909.2
Diamond	97.4	43.7	6.4	29.6	46.9
Tanzanite	12.8	24.6	32.7	23.4	25.2
Other minerals (incl. concentrates)	8.0	244.3	192.9	451.7	581.3
Horticultural products	192.6	202.6	338.8	369.1	294.1
Edible vegetables	123.7	146.4	267.3	295.4	201.0
Floriculture	34.8	24.9	25.2	26.2	23.9
Fruits	13.7	8.5	15.2	19.4	36.7
Others	20.4	22.9	31.2	28.1	32.5
Manufactured goods	903.9	795.0	1,077.5	1,321.6	1,402.2
o/w: Cement	28.3	38.3	52.0	49.5	62.8
Ceramic products	24.5	24.0	40.3	49.1	39.5
Cosmetics	62.8	19.9	84.1	40.2	47.6
Edible oil	10.0	14.5	12.9	18.9	18.0
Fertilizers	33.4	42.0	85.4	77.5	116.2
Glassware	45.0	36.2	44.8	42.1	51.4
Iron and steel	68.4	58.0	75.8	104.3	90.3
Paper and paper products	53.6	42.2	44.7	69.2	38.8
Plastic items	31.0	25.5	59.4	39.0	39.3
Textiles	111.0	80.1	81.9	115.9	98.9
Cereals	71.1	84.2	283.7	395.3	220.8
Maize	25.3	35.9	24.0	118.3	57.6
Rice	43.8	46.6	250.5	268.7	148.9
Other cereals	2.1	1.8	9.2	8.3	14.3
Fish and fish products	171.5	144.6	142.5	182.2	161.8
Oil seeds	106.7	187.0	186.6	153.2	233.7
Other exports	116.3	105.8	181.0	230.3	190.0
o/w: Beans	5.9	1.6	39.3	54.2	40.8
Wood and wood products	46.5	42.4	66.5	113.5	80.0
Cocoa	24.8	20.8	27.0	26.7	27.8
Plants	2.2	2.1	5.1	3.7	12.4
Hides and skins	3.6	5.4	6.2	5.2	3.9
Domestic exports	4,148.0	5,570.7	6,135.7	6,696.9	6,964.0
Re-exports	205.6	151.7	90.2	110.7	146.6
Unrecorded trade	414.8	297.9	311.1	400.5	405.5
Total exports	4,562.8	5,868.7	6,446.8	7,097.4	7,369.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.4: Tanzania Exports (f.o.b) by Type of Commodity

Commodity	Millions of TZS				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Traditional exports	1,158,282.3	2,279,812.5	1,329,058.5	1,694,930.0	1,737,004.0
Cashewnuts	4,788.5	1,144,749.5	536,649.0	528,225.6	379,589.7
Cloves	3,982.6	53,318.9	3,717.3	143,085.4	126,244.2
Coffee	369,060.5	285,687.4	317,072.6	377,535.9	431,605.3
Cotton	182,420.4	272,057.7	124,892.0	189,909.4	251,170.0
Sisal	43,238.4	40,114.0	43,897.6	46,126.4	62,408.4
Tea	113,016.1	74,104.4	73,405.1	73,716.6	75,148.3
Tobacco	441,775.7	409,780.5	229,424.9	336,330.7	410,838.2
Non-traditional exports	8,306,752.7	10,476,271.5	12,771,364.6	13,695,131.6	14,350,764.4
Minerals	4,273,137.0	6,650,069.6	7,484,713.0	7,346,233.6	8,230,065.4
Gold	4,003,162.0	5,934,046.3	6,951,719.2	6,186,587.4	6,721,100.7
Diamond	222,318.3	100,102.0	14,612.1	67,936.4	108,247.5
Tanzanite	29,316.2	56,299.5	75,113.8	53,778.0	58,112.3
Other minerals (incl. concentrates)	18,340.4	559,621.9	443,267.8	1,037,931.8	1,342,604.8
Horticultural products	439,324.1	463,994.3	778,650.3	848,181.3	679,016.4
Edible vegetables	282,200.2	335,284.0	614,287.6	678,877.2	463,984.7
Floriculture	79,376.9	56,903.0	57,929.5	60,129.1	55,229.5
Fruits	31,181.4	19,356.1	34,827.8	44,622.9	84,707.5
Others	46,565.7	52,451.2	71,605.3	64,552.0	75,094.8
Manufactured goods	2,062,394.4	1,820,385.3	2,476,282.9	3,037,392.2	3,239,442.7
o/w: Cement	64,561.6	87,740.4	119,422.4	113,835.1	144,945.6
Ceramic products	55,927.3	54,968.2	92,586.8	112,767.8	91,215.5
Cosmetics	143,083.5	45,630.0	193,200.1	92,467.4	109,949.6
Edible oil	22,898.7	33,171.9	29,650.3	43,495.3	41,524.7
Fertilizers	76,247.2	96,229.5	196,195.6	178,206.8	268,536.9
Glassware	102,895.8	82,908.8	102,863.6	96,670.8	118,635.4
Iron and steel	156,220.0	132,724.3	174,206.5	239,648.6	208,442.9
Paper and paper products	122,368.7	96,696.1	102,681.4	159,051.5	89,569.3
Plastic items	70,649.5	58,411.7	136,495.8	89,536.3	90,865.9
Textiles	253,270.4	183,322.3	188,292.2	266,378.0	228,527.6
Cereals	162,517.3	192,855.1	652,110.0	908,530.4	510,171.9
Maize	57,721.4	82,131.6	55,272.2	271,824.3	133,074.2
Rice	99,999.5	106,688.2	575,745.1	617,636.6	344,127.7
Other cereals	4,796.4	4,035.4	21,092.7	19,069.6	32,970.0
Fish and fish products	391,335.7	331,043.7	327,562.2	418,713.6	373,799.6
Oil seeds	243,089.2	428,297.0	428,840.8	352,409.6	540,402.2
Other exports	265,556.8	242,354.3	415,943.3	529,263.0	439,147.0
o/w: Beans	13,457.0	3,700.9	90,360.0	124,530.3	94,378.0
Wood and wood products	106,092.2	97,194.0	152,932.5	260,867.0	184,715.6
Cocoa	56,710.5	47,617.1	62,029.6	61,439.7	64,309.3
Plants	5,007.8	4,868.7	11,822.1	8,538.3	28,691.9
Hides and skins	8,241.1	12,372.7	14,207.1	12,036.5	9,115.4
Domestic exports	9,465,035.0	12,756,083.9	14,100,423.1	15,390,061.6	16,087,768.4
Re-exports	469,398.2	347,272.2	207,262.2	254,407.8	338,719.2
Unrecorded trade	946,503.5	682,203.8	714,870.4	920,347.4	936,666.8
Total exports	10,411,538.5	13,438,287.7	14,815,293.5	16,310,409.0	17,024,435.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.5: Tanzania Imports (f.o.b) by Commodity Groups

Commodity	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Capital	1,914.3	1,465.0	1,542.2	1,942.1	2,969.0
Machinery and mechanical appliances	608.0	581.1	672.5	859.7	1,321.1
Industrial transport equipment	876.9	394.1	375.4	537.6	990.4
Electrical machinery and equipment	217.9	287.9	254.1	303.9	341.0
Other capital goods	211.4	201.9	240.3	240.9	316.5
Intermediate	5,866.0	5,865.5	5,846.8	8,476.1	10,081.3
Industrial supplies	2,654.8	2,879.7	2,852.4	4,064.0	4,574.2
o/w: Iron and steel and articles thereof	709.6	791.8	711.1	1,028.7	984.6
Plastic and articles thereof	437.5	431.6	476.1	729.1	656.6
Fertilisers	181.0	163.7	154.2	236.8	605.3
Fuel and lubricants	1,680.7	1,502.7	1,547.3	2,550.9	3,366.7
o/w: Petroleum products	1,603.5	1,422.1	1,458.5	2,447.3	3,139.8
Parts and accessories	896.1	766.4	778.6	959.5	1,002.0
Food and beverages for industrial use	472.2	530.3	466.8	672.4	818.3
Wheat grain	193.5	230.1	153.1	291.0	392.7
Edible oil and its fractions not refined	172.1	152.4	168.2	169.1	151.0
Sugar for industrial use	58.7	61.3	82.4	121.4	126.9
Motor cars for household	161.8	186.3	201.4	223.6	315.4
Consumer	913.1	1,002.0	1,155.3	1,293.0	1,417.3
Food and beverages mainly for household consumption	121.6	123.3	146.6	183.7	236.7
Non-industrial transport equipment	70.3	81.4	96.2	130.0	150.4
Motocycles and cycles fitted with an auxiliary motor	60.3	70.4	85.3	114.5	131.1
Other consumer goods	721.3	797.3	912.5	979.2	1,030.2
Pharmaceutical products	221.9	291.0	362.2	325.3	316.5
Insecticides, rodenticides and similar products	97.1	90.3	101.5	125.9	160.5
Soap and detergents	42.8	52.5	56.7	68.9	67.6
Textiles apparels	53.9	58.5	41.7	56.6	58.5
Footwear and other products	35.9	33.2	41.6	48.9	50.6
Paper and paper products	24.8	24.8	24.8	30.2	29.9
Total	8,695.6	8,334.7	8,546.6	11,713.4	14,469.8

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.6: Tanzania Imports (f.o.b) by Commodity Groups

Commodity	Millions of TZS					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Capital	3,352,573.3	4,363,927.4	3,354,689.6	3,544,281.2	4,463,283.0	6,859,033.0
Machinery and mechanical appliances	1,254,207.5	1,387,069.4	1,330,716.3	1,545,421.4	1,975,643.7	3,052,307.6
Industrial transport equipment	951,564.7	1,997,469.7	902,370.2	862,679.9	1,235,490.6	2,287,857.7
Electrical machinery and equipment	476,587.4	497,176.9	659,319.9	583,901.9	698,448.2	787,841.7
Other capital goods	670,213.7	482,211.4	462,283.2	552,278.1	553,700.5	731,026.1
Intermediate	11,907,882.1	13,382,931.8	13,429,935.6	13,436,882.7	19,479,121.1	23,284,149.3
Industrial supplies	5,174,531.0	6,055,558.0	6,593,825.9	6,555,294.7	9,339,588.3	10,564,882.7
o/w: Iron and steel and articles thereof	1,012,380.3	1,618,679.6	1,812,887.8	1,634,323.4	2,363,982.0	2,274,211.2
Plastic and articles thereof	879,810.4	998,048.5	988,341.0	1,094,170.9	1,675,607.2	1,516,560.5
Fertilisers	279,518.7	412,515.3	374,774.0	354,241.6	544,163.3	1,397,455.8
Fuel and lubricants	3,485,328.8	3,834,665.4	3,440,246.3	3,555,993.4	5,862,545.0	7,773,926.7
o/w: Petroleum products	3,312,435.2	3,658,726.8	3,255,842.2	3,351,851.1	5,624,486.9	7,249,868.3
Parts and accessories	1,446,994.9	2,044,865.0	1,754,795.6	1,789,220.3	2,205,073.9	2,314,795.0
Food and beverages for industrial use	1,437,263.6	1,077,560.9	1,214,345.0	1,072,858.3	1,545,119.5	1,890,483.0
Wheat grain	504,145.2	441,477.5	526,886.7	351,907.6	668,907.5	907,400.7
Edible oil and its fractions not refined	556,484.5	392,667.0	348,945.6	386,640.0	388,575.4	348,859.8
Sugar for industrial use	257,374.2	134,042.5	140,411.8	189,402.8	278,823.4	292,971.3
Motor cars for household	348,590.1	369,222.6	426,564.2	462,832.0	513,744.9	728,740.1
Consumer	2,117,838.9	2,083,186.0	2,294,364.6	2,655,056.0	2,971,460.4	3,274,692.3
Food and beverages mainly for household consumption	345,578.7	277,368.9	282,421.1	337,003.5	422,239.3	546,980.1
Non-industrial transport equipment	163,400.9	160,418.3	186,426.8	221,117.2	298,869.0	347,414.3
Motocycles and cycles fitted with an auxiliary motor	142,324.4	137,545.4	161,276.7	196,045.2	263,172.7	302,920.4
Other consumer goods	1,608,859.3	1,645,398.8	1,825,516.7	2,096,935.3	2,250,352.1	2,380,298.0
Pharmaceutical products	576,055.0	506,317.5	666,274.2	832,473.5	747,518.4	731,226.3
Insecticides, rodenticides and similar products	206,850.3	221,379.4	206,765.7	233,154.1	289,420.1	370,975.8
Soap and detergents	74,219.5	97,737.0	120,182.6	130,238.2	158,396.3	156,192.8
Textiles apparels	104,629.8	122,875.7	133,875.2	95,874.3	130,016.8	135,159.6
Footwear and other products	81,236.5	81,998.2	76,120.1	95,642.7	112,343.9	116,839.8
Paper and paper products	42,844.8	56,622.9	56,702.8	56,895.1	69,483.4	68,977.4
Total	17,383,192.8	19,835,028.2	19,083,990.9	19,641,239.0	26,918,883.6	33,422,920.2

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.7: Tanzania Imports (c.i.f) by Commodity Groups

Commodity	Millions of TZS				
	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Capital	3,695,841.2	3,619,371.1	3,822,902.9	4,884,109.3	7,583,136.7
Machinery and mechanical appliances	1,488,397.6	1,435,844.1	1,666,642.7	2,162,045.6	3,371,128.7
Industrial transport equipment	1,156,476.9	973,288.7	930,399.8	1,351,947.0	2,530,449.5
Electrical machinery and equipment	533,642.5	711,315.6	629,893.6	764,218.5	871,992.3
Other capital goods	517,324.2	498,922.7	595,966.7	605,898.3	809,566.2
Intermediate	14,361,612.2	14,485,312.5	14,494,044.7	21,310,560.3	25,763,900.8
Industrial supplies	6,497,232.7	7,111,856.1	7,071,920.4	10,219,066.9	11,689,400.0
o/w: Iron and steel and articles thereof	1,736,472.8	1,955,065.0	1,763,445.3	2,586,111.5	2,513,727.1
Plastic and articles thereof	1,071,018.5	1,066,236.0	1,180,382.1	1,833,291.5	1,677,516.5
Fertilisers	442,357.7	403,913.6	381,843.1	594,526.0	1,549,768.4
Fuel and lubricants	4,115,958.3	3,708,998.2	3,834,413.8	6,412,372.0	8,602,792.4
o/w: Petroleum products	3,927,371.4	3,509,709.4	3,614,081.5	6,152,077.1	8,021,458.7
Parts and accessories	2,194,175.3	1,892,612.5	1,930,582.1	2,411,475.8	2,558,835.8
Food and beverages for industrial use	1,156,823.5	1,311,598.4	1,157,370.7	1,691,305.5	2,094,315.8
Wheat grain	473,917.1	569,386.4	380,356.1	733,207.9	1,004,337.7
Edible oil and its fractions not refined	421,526.7	376,755.5	416,491.7	424,782.9	387,742.6
Sugar for industrial use	143,994.8	151,543.1	204,314.6	304,834.2	323,637.8
Motor cars for household	396,284.1	460,075.2	499,019.1	562,092.5	805,966.5
Consumer	2,235,594.8	2,474,994.8	2,864,427.9	3,250,455.0	3,618,221.1
Food and beverages mainly for household consumption	297,791.3	304,654.9	363,533.4	462,187.1	604,417.4
Non-industrial transport equipment	172,296.5	201,118.2	238,559.5	326,943.9	384,432.7
Motocycles and cycles fitted with an auxiliary motor	147,764.7	173,995.2	211,506.9	287,905.3	335,138.1
Other consumer goods	1,765,507.0	1,969,221.7	2,262,335.0	2,461,324.1	2,629,370.9
Pharmaceutical products	543,343.9	718,914.1	897,813.9	817,246.4	807,102.8
Insecticides, rodenticides and similar products	237,359.2	223,140.4	251,654.4	316,696.4	409,657.7
Soap and detergents	104,915.4	129,664.3	140,488.2	173,252.3	172,792.4
Textiles apparels	131,761.3	144,442.3	103,410.5	142,298.6	149,055.3
Footwear and other products	88,005.7	82,050.2	103,222.5	122,892.3	129,204.0
Paper and paper products	60,767.9	61,120.9	61,610.3	75,970.0	76,332.5
Total	20,293,048.2	20,579,678.5	21,181,375.4	29,445,124.7	36,965,258.6

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.8: Tanzania's Exports by Country of Destination

Country	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Australia	10,079.5	6,807.9	10,264.7	11,513.2	8,717.4
Belgium	495,534.4	396,936.8	190,363.1	277,659.5	356,509.6
Burundi	192,513.9	258,203.7	440,862.2	467,813.8	466,868.9
Canada	12,326.9	6,018.2	6,486.0	14,375.2	9,429.3
China	380,589.4	577,829.0	569,816.8	652,111.9	768,648.2
Democratic Republic of Congo	389,289.4	312,771.4	362,838.5	571,971.3	705,306.3
Denmark	8,423.5	9,866.8	7,476.8	9,070.5	14,328.9
France	44,575.9	41,211.9	32,769.7	48,934.9	97,585.8
Germany	96,262.3	109,385.8	100,018.9	86,399.0	126,914.1
Hong Kong	101,257.3	228,027.0	187,766.8	407,089.8	140,134.1
India	1,748,510.0	1,656,186.6	1,380,295.6	2,498,738.8	2,876,618.0
Indonesia	52,306.2	32,408.4	26,740.6	34,871.0	83,249.0
Ireland	1,289.2	443.5	570.3	377.6	8,267.3
Italy	54,045.9	45,399.5	54,689.2	77,113.2	103,854.4
Japan	149,321.2	112,374.8	147,587.7	199,274.0	164,763.4
Kenya	588,939.0	484,810.3	659,221.4	1,027,296.1	663,594.8
Malaysia	18,358.2	12,610.3	32,022.4	18,950.0	23,879.5
Mozambique	56,955.4	52,204.1	40,598.3	46,371.4	75,716.7
Netherlands	190,049.0	154,071.4	164,067.5	272,374.8	188,980.5
New Zealand	6,539.2	1,211.2	1,645.6	1,428.6	1,441.5
Norway	1,419.9	872.4	230.8	1,637.0	46.9
Pakistan	74,252.8	191,503.1	119,448.2	143,721.7	201,289.3
Portugal	39,720.2	24,532.3	20,327.4	23,575.8	33,463.7
Russia	20,185.9	16,302.4	13,503.5	16,502.3	16,645.4
Singapore	6,698.8	114,907.2	64,689.6	456,555.0	424,083.3
Somalia	4,290.4	3,825.0	2,836.1	2,127.2	2,325.7
South Africa	1,919,787.6	2,479,895.6	2,440,645.7	1,879,145.0	2,370,968.8
Spain	36,175.1	259,361.0	211,865.9	75,620.0	52,040.2
Sri Lanka	2,526.6	2,078.8	18,045.9	12,713.3	7,075.0
Sweden	9,115.7	6,258.4	4,476.0	5,324.6	15,651.3
Switzerland	633,700.7	1,222,066.2	1,865,486.8	1,064,689.0	1,032,630.6
Taiwan	2,314.0	2,150.8	5,671.5	1,614.6	2,759.5
Thailand	31,060.3	51,860.4	12,271.0	12,274.3	10,529.3
Uganda	341,215.7	273,071.2	558,322.3	649,239.3	659,408.6
United Arab Emirates	257,210.2	1,387,935.1	2,147,222.6	2,161,720.1	1,720,910.4
United Kingdom	37,174.4	32,435.6	43,172.2	39,810.8	50,912.2
United States	117,756.3	92,495.5	101,740.6	145,284.4	204,100.7
Zambia	155,072.5	102,690.7	148,292.9	164,778.4	212,237.5
Others	1,117,963.5	1,930,029.5	1,619,951.0	1,733,750.3	2,098,785.0
Total	9,404,806.4	12,693,049.7	13,814,301.9	15,313,817.7	16,000,671.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.9: Tanzania's Imports (c.i.f) by Country of Origin

Country	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Argentina	53,614.5	90,887.9	41,993.7	222,843.7	25,951.5
Australia	139,073.1	145,658.2	200,073.1	240,783.5	170,300.1
Belgium	119,690.2	157,713.7	145,854.0	288,807.6	447,233.8
Brazil	54,087.0	44,930.7	36,577.2	100,088.6	112,775.2
Burundi	1,951.6	468.5	1,438.7	2,157.9	8,265.7
Canada	139,911.8	85,620.4	95,634.5	78,280.2	192,932.2
China	4,392,082.6	4,561,832.6	5,403,021.5	7,557,607.7	9,486,231.0
Democratic Republic of Congo	1,671.0	3,618.0	5,484.3	6,967.9	6,346.7
Denmark	33,163.4	80,302.4	66,650.6	42,297.0	54,179.6
Finland	91,543.7	109,041.5	130,132.4	169,246.5	380,033.4
France	209,901.4	217,976.7	149,735.2	150,239.0	181,495.5
Germany	551,725.3	554,554.7	562,903.4	518,612.0	610,027.5
Hong Kong	114,672.9	121,705.8	112,511.6	159,040.9	167,286.1
India	2,759,482.9	3,022,410.3	2,523,355.6	3,756,744.3	4,109,985.0
Indonesia	423,933.9	336,405.9	438,305.4	294,634.0	198,336.9
Iran	59,506.6	20,335.0	24,511.1	26,887.8	23,493.7
Ireland	52,562.2	60,654.4	67,550.6	67,811.4	176,419.6
Italy	229,278.8	447,953.9	312,746.2	241,415.0	268,125.0
Japan	909,355.7	906,151.4	843,352.9	1,179,838.5	1,421,270.6
Kenya	602,236.9	556,686.5	676,561.8	939,852.0	982,425.2
Malaysia	166,775.8	307,264.3	180,225.6	373,772.1	538,714.0
Mexico	24,048.8	18,919.7	16,478.0	21,029.8	51,504.4
Mozambique	20,954.7	8,858.5	6,347.4	25,954.9	40,614.2
Netherlands	177,573.2	235,780.4	307,517.5	268,792.8	395,905.6
New Zealand	8,298.7	3,631.5	5,059.1	8,429.6	10,487.7
Norway	242,924.0	37,491.9	27,326.1	29,131.6	42,881.8
Pakistan	84,746.1	65,379.9	70,067.5	97,559.9	216,394.9
Portugal	10,840.7	9,736.7	7,577.0	9,916.0	4,481.5
Russia	370,881.4	431,198.4	305,092.9	303,081.2	778,457.4
Saudi Arabia	1,365,522.3	613,852.3	1,075,043.5	1,599,669.6	1,898,740.3
Singapore	160,313.0	72,409.3	106,356.3	215,893.9	318,420.6
South Africa	942,108.8	977,683.1	853,088.2	1,101,339.3	1,324,578.9
South Korea	249,572.4	289,396.8	266,191.0	398,868.5	754,166.8
Spain	100,276.8	154,562.3	101,573.7	181,054.9	162,518.9
Sri Lanka	12,766.7	6,271.9	6,934.5	12,212.1	13,692.4
Eswatini	96,904.9	86,491.9	78,794.1	92,992.8	79,407.6
Sweden	151,775.2	91,441.1	121,914.8	144,097.3	233,781.5
Switzerland	411,519.6	235,874.2	184,575.0	161,375.6	436,281.0
Taiwan	60,876.6	62,978.3	72,894.2	53,380.3	70,434.8
Thailand	217,180.4	250,794.4	184,246.1	334,313.8	515,112.6
Turkey	393,248.5	519,151.8	502,203.1	539,473.5	614,485.8
Uganda	118,896.6	189,086.5	187,177.4	327,563.8	264,405.7
United Arab Emirates	2,009,718.6	2,072,665.4	2,443,525.5	4,319,813.6	4,657,715.1
United Kingdom	353,678.7	281,380.4	281,126.5	282,084.9	366,050.0
United States	687,071.7	613,317.5	537,273.8	705,887.2	807,739.9
Zambia	106,069.2	103,314.3	136,196.5	199,460.7	197,897.9
Zimbabwe	1,794.0	5,559.3	15,834.1	18,198.7	28,268.9
Others	878,600.9	1,412,269.3	1,230,443.0	1,668,796.0	3,300,425.4
Total	20,364,383.7	20,681,669.8	21,149,476.3	29,538,299.7	37,146,679.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.10: Tanzania's Exports to COMESA countries

Millions of TZS					
Country	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Burundi	192,513.9	258,203.7	440,862.2	467,813.8	466,868.9
Comoros	24,445.7	10,310.0	10,687.8	26,855.1	102,785.4
Democratic Republic of Congo	389,289.4	312,771.4	362,838.5	571,971.3	705,306.3
Djibouti	1,558.5	188.8	639.8	44.7	1,199.8
Egypt	14,023.3	7,493.7	9,380.9	8,490.3	13,154.0
Swaziland	15,026.8	2,082.0	344.3	230.5	827.8
Eritrea	6.3	0.0	0.0	0.0	18.6
Ethiopia	9,492.0	13,656.4	1,925.6	2,674.1	2,113.1
Kenya	588,939.0	484,810.3	659,221.4	1,027,296.1	663,594.8
Libya	460.5	224.6	874.2	831.1	1,696.9
Madagascar	13,603.1	9,100.6	8,240.6	5,599.8	15,208.4
Malawi	129,054.4	121,616.2	111,151.8	150,859.1	149,185.1
Mauritius	5,272.8	4,453.3	288.4	918.0	10,585.5
Rwanda	343,198.8	418,213.3	501,489.7	566,496.6	486,893.8
Seychelles	10.9	347.5	1,025.1	4.7	1,292.2
Somalia	4,290.4	3,825.0	2,836.1	2,127.2	2,325.7
Sudan	2,791.8	4,383.2	17,048.4	14,382.3	1,816.8
Tunisia	45.0	0.0	0.0	0.0	18.6
Uganda	341,215.7	273,071.2	558,322.3	649,239.3	659,408.6
Zambia	155,072.5	102,690.7	148,292.9	164,778.4	212,237.5
Zimbabwe	18,959.0	67,093.7	32,317.4	37,904.2	51,208.1
Total	2,249,270.0	2,094,535.4	2,867,787.2	3,698,516.8	3,547,745.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data

A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.11: Tanzania's Imports from COMESA Countries

Millions of TZS					
Country	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Burundi	1,951.6	468.5	1,438.7	2,157.9	8,265.7
Comoros	62.9	16.2	135.0	66.1	21.0
Democratic Republic of Congo	1,671.0	3,618.0	5,484.3	6,967.9	6,346.7
Djibouti	302.6	0.3	5,469.5	1.1	866.0
Egypt	87,566.7	70,243.1	90,035.3	169,000.2	133,045.8
Swaziland	96,904.9	86,491.9	78,794.1	92,992.8	79,407.6
Eritrea	1.3	0.0	0.0	0.0	229.0
Ethiopia	514.4	5,116.1	6,324.2	2,684.0	378.7
Kenya	602,236.9	556,686.5	676,561.8	939,852.0	982,425.2
Libya	0.1	0.0	0.0	0.0	229.0
Madagascar	30,494.5	20,428.5	1,082.1	34,823.7	19,529.3
Malawi	36,015.1	68,652.4	61,465.2	39,343.3	64,879.1
Mauritius	19,194.0	14,199.6	43,903.1	19,170.3	54,027.4
Rwanda	1,874.6	4,780.5	4,868.5	7,552.3	4,006.1
Seychelles	102.6	3.9	3.4	20.4	3,691.8
Somalia	0.0	8.1	1,258.9	0.0	229.0
Sudan	360.0	3.2	70.2	24.7	0.6
Tunisia	1,954.6	4,536.1	3,935.4	1,585.2	1,879.6
Uganda	118,896.6	189,086.5	187,177.4	327,563.8	264,405.7
Zambia	106,069.2	103,314.3	136,196.5	199,460.7	197,897.9
Zimbabwe	1,794.0	5,559.3	15,834.1	18,198.7	28,268.9
Total	1,107,967.8	1,133,213.0	1,320,037.6	1,861,465.0	1,850,029.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.12: Trade with SADC Members States

Country	2018/19	2019/20	2020/21	2021/22	2022/23 ^P	Millions of USD
South Africa						
Exports	845.5	1,088.3	1,067.2	821.8	1,031.5	
Imports	411.4	424.9	369.4	476.9	570.5	
Trade balance	434.1	663.4	697.8	344.9	461.0	
DRC						
Exports	170.7	137.3	158.6	250.5	306.8	
Imports	0.7	1.6	2.4	3.0	2.7	
Trade balance	170.0	135.7	156.2	247.5	304.1	
Zambia						
Exports	74.7	45.1	64.5	72.1	92.3	
Imports	46.3	44.9	59.0	86.4	85.2	
Trade balance	28.4	0.2	5.6	-14.3	7.0	
Malawi						
Exports	56.8	53.4	48.5	66.0	64.9	
Imports	15.7	29.8	26.6	17.0	27.9	
Trade balance	41.1	23.5	21.9	48.9	37.0	
Mozambique						
Exports	25.0	22.9	17.7	20.3	33.0	
Imports	9.1	3.9	2.7	11.2	17.5	
Trade balance	15.9	19.1	15.0	9.0	15.4	
Swaziland						
Exports	6.6	0.9	0.2	0.1	0.4	
Imports	42.3	37.6	34.1	40.3	34.2	
Trade balance	-35.7	-36.7	-34.0	-40.2	-33.9	
Comoros						
Exports	10.8	4.5	4.6	11.7	44.7	
Imports	0.0	0.0	0.1	0.0	0.0	
Trade balance	10.8	4.5	4.6	11.7	44.7	
Zimbabwe						
Exports	8.4	29.5	13.8	16.6	22.3	
Imports	0.8	2.4	6.9	7.9	12.2	
Trade balance	7.6	27.0	6.9	8.7	10.1	
Madagascar						
Exports	6.0	4.0	3.6	2.4	6.6	
Imports	13.3	8.9	0.5	15.1	8.4	
Trade balance	-7.3	-4.9	3.1	-12.6	-1.8	
Mauritius						
Exports	2.3	2.0	0.1	0.4	4.6	
Imports	8.4	6.2	19.0	8.3	23.3	
Trade balance	-6.0	-4.2	-18.9	-7.9	-18.7	
Namibia						
Exports	0.4	0.8	2.0	0.9	0.5	
Imports	7.0	7.4	3.8	6.3	7.6	
Trade balance	-6.6	-6.6	-1.9	-5.4	-7.0	
Angola						
Exports	2.0	2.8	1.6	4.5	2.6	
Imports	0.2	0.4	0.1	0.3	0.0	
Trade balance	1.7	2.4	1.6	4.2	2.6	
Botswana						
Exports	1.9	0.0	0.4	0.8	0.5	
Imports	0.3	0.9	0.8	0.5	0.4	
Trade balance	1.6	-0.9	-0.4	0.3	0.1	
Seychelles						
Exports	0.0	0.2	0.4	0.0	0.6	
Imports	0.0	0.0	0.0	0.0	1.6	
Trade balance	0.0	0.2	0.4	0.0	-1.0	
Lesotho						
Exports	2.8	0.0	0.0	0.0	0.0	
Imports	1.1	0.9	0.6	0.4	0.2	
Trade balance	1.7	-0.9	-0.6	-0.4	-0.2	
Exports to SADC	1,213.8	1,391.5	1,383.3	1,268.1	1,611.2	
Imports from SADC	556.8	569.8	525.9	673.6	791.8	
Trade balance	657.0	821.8	857.3	594.5	819.4	

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.13: Tanzania Share of Trade with SADC Members States

	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Percent					
Exports:					
South Africa	69.7	78.2	77.1	64.8	64.0
Democratic Republic of Congo	14.1	9.9	11.5	19.8	19.0
Zambia	6.2	3.2	4.7	5.7	5.7
Malawi	4.7	3.8	3.5	5.2	4.0
Mozambique	2.1	1.6	1.3	1.6	2.0
Comoros	0.9	0.3	0.3	0.9	2.8
Zimbabwe	0.7	2.1	1.0	1.3	1.4
Madagascar	0.5	0.3	0.3	0.2	0.4
Mauritius	0.2	0.1	0.0	0.0	0.3
Angola	0.2	0.2	0.1	0.4	0.2
Botswana	0.2	0.0	0.0	0.1	0.0
Namibia	0.0	0.1	0.1	0.1	0.0
Seychelles	0.0	0.0	0.0	0.0	0.0
Swaziland	0.5	0.1	0.0	0.0	0.0
Lesotho	0.2	0.0	0.0	0.0	0.0
Imports:					
South Africa	73.9	74.6	70.2	70.8	72.1
Zambia	8.3	7.9	11.2	12.8	10.8
Swaziland	7.6	6.6	6.5	6.0	4.3
Malawi	2.8	5.2	5.1	2.5	3.5
Mozambique	1.6	0.7	0.5	1.7	2.2
Madagascar	2.4	1.6	0.1	2.2	1.1
Mauritius	1.5	1.1	3.6	1.2	2.9
Zimbabwe	0.1	0.4	1.3	1.2	1.5
Namibia	1.3	1.3	0.7	0.9	1.0
Democratic Republic of Congo	0.1	0.3	0.5	0.4	0.3
Lesotho	0.2	0.2	0.1	0.1	0.0
Botswana	0.1	0.2	0.2	0.1	0.0
Seychelles	0.0	0.0	0.0	0.0	0.2
Comoros	0.0	0.0	0.0	0.0	0.0
Angola	0.0	0.1	0.0	0.0	0.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A5.0: National Debt Statistics

Table A5.1: Debt Developments

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ^r	2022/23 ^p
Millions of USD							
1. Overall total external debt committed ²	25,692.9	28,063.1	29,573.9	33,072.9	35,993.4	37,309.8	41,271.7
Disbursed outstanding external debt	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9	27,324.5
Undisbursed external debt	8,441.7	9,298.0	9,544.6	12,114.5	12,742.5	11,916.9	13,947.2
2. Disbursed external debt by creditor category ²	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.8	27,324.5
Bilateral debt	1,155.9	981.7	1,057.1	1,113.4	1,168.0	1,165.8	1,096.6
Multilateral debt	8,711.1	9,509.2	9,966.4	10,703.3	11,775.8	12,707.0	14,441.9
Commercial debt	5,879.8	6,498.5	6,922.8	7,051.8	8,056.5	7,406.0	7,458.8
Export credits	1,504.4	1,775.7	2,083.0	2,089.9	2,250.6	4,114.0	4,327.2
3. Disbursed external debt by borrower category	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9	27,324.5
Central government	13,901.6	14,978.8	15,727.2	16,764.6	18,640.1	19,330.0	20,966.8
Public corporations	282.2	180.4	95.0	49.2	37.2	23.7	23.7
Private sector	3,067.4	3,605.9	4,207.1	4,144.6	4,573.6	6,039.2	6,334.0
4. Disbursed external debt by use of funds ²	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9	27,324.5
BOP and budget support	3,053.6	2,723.7	2,836.4	2,705.4	3,395.8	3,002.2	3,525.0
Transport and telecommunication	3,891.6	4,077.0	4,634.0	5,733.3	5,944.0	5,594.7	5,337.0
Agriculture	1,118.9	1,207.0	1,256.0	1,300.0	1,369.0	1,312.0	1,322.0
Energy and mining	2,785.0	2,970.0	3,105.0	3,083.0	3,217.0	4,160.0	4,108.0
Industries	435.0	605.0	666.0	749.0	805.0	1,309.0	1,278.0
Social welfare and education	2,512.5	2,999.0	3,254.0	3,705.0	4,134.0	4,155.0	5,078.0
Finance and insurance	895.2	1,049.0	1,186.0	1,071.0	1,217.0	916.0	914.0
Tourism	67.3	68.0	171.0	182.0	185.0	229.0	307.0
Real estate and construction	796.2	1,096.0	1,109.0	1,012.0	1,744.0	1,801.2	1,825.0
Other	1,696.0	1,970.4	1,811.9	1,417.7	1,240.1	2,913.8	3,630.5
5. Total amount of loan contracted ¹	1,182.7	282.7	155.4	134.6	134.6	134.6	137.6
Central government	400.0	0.0	0.0	0.0	0.0	0.0	1.0
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Private sector	782.7	282.7	155.4	134.6	134.6	134.6	135.6
6. External debt disbursements ¹	1,634.9	1,599.3	1,469.5	2,212.1	2,300.4	2,844.0	3,229.5
Central government	1,310.3	1,394.7	1,351.1	1,883.2	2,219.4	2,531.1	2,999.3
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	324.6	204.6	118.4	328.9	81.0	312.9	230.2
7. Actual external debt service ¹	854.2	1,072.3	990.5	2,005.9	1,431.2	1,661.5	1,770.0
Principal	544.7	760.7	693.2	1,710.9	977.1	1,321.5	1,326.6
Interest	309.6	311.6	297.2	295.0	454.1	340.0	443.4
Other payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Net flows on external debt ¹	1,090.2	838.6	776.3	501.2	1,323.3	1,522.5	1,902.9
9. Net transfers on external debt ¹	780.6	526.9	479.1	206.2	869.2	1,182.5	1,459.5
10. External debt arrears by creditors category ²	3,142.8	4,279.5	4,789.3	4,979.7	5,622.4	5,146.7	5,669.6
Principal	1,742.9	2,541.6	2,897.6	2,985.4	3,354.0	2,707.0	2,981.8
Bilateral debt	346.8	326.0	320.7	329.7	372.5	371.0	122.6
Multilateral debt	72.0	100.7	117.2	137.1	166.1	240.6	213.4
Commercial debt	730.9	807.3	1,281.5	1,246.9	1,619.6	1,035.5	1,445.4
Export credits	593.2	1,307.6	1,178.2	1,271.7	1,195.8	1,059.9	1,200.4
Interest	1,399.9	1,737.9	1,891.7	1,994.3	2,268.4	2,439.7	2,687.8
Bilateral debt	784.8	840.9	901.4	969.9	1,063.0	1,098.9	1,118.3
Multilateral debt	14.9	29.4	25.2	38.5	59.5	63.7	15.4
Commercial debt	365.7	359.9	536.2	521.6	632.4	724.4	867.0
Export credits	234.6	507.7	428.9	464.3	513.5	552.7	687.1
11. Total debt stock	24,639.0	26,971.0	28,412.8	29,708.9	33,773.1	38,265.6	42,440.6
External debt stock	18,651.1	20,503.0	21,921.0	22,952.7	25,519.3	27,832.5	30,012.3
Domestic debt stock	5,987.8	6,468.0	6,491.8	6,756.2	8,253.8	10,433.1	12,428.3
Memorandum items:							
Export of goods and services	8,430.4	8,588.5	8,298.0	9,049.4	8,536.5	11,098.6	12,767.6
GDP at market (current) prices	50,917.5	54,464.5	58,220.8	62,956.4	67,323.2	72,600.7	81,038.7
External debt stock as percent of GDP	36.6	37.6	37.7	36.5	37.9	38.3	37.0
Total debt stock as percent of GDP	48.4	49.5	48.8	47.2	50.2	52.7	52.4
External debt service as percent of exports	10.1	12.5	11.9	22.2	16.8	15.0	13.9
External debt as percent of exports	221.2	238.7	264.2	253.6	298.9	250.8	235.1
Domestic debt stock as percent of GDP	11.8	11.9	11.2	10.7	12.3	14.4	15.3
End of period exchange rate (TZS/USD)	2,230.1	2,277.7	2,289.5	2,296.5	2,298.9	2,304.2	2,327.5

Source: Ministry of Finance and Bank of Tanzania

Note: Multilateral debt arrears are those owed by the private sector, ¹denotes debt flows during the period; ²stock position at the end of period; GDP, gross domestic product;

r, revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.1: Gross Domestic Products by Activity at Current Prices

Million of TZS

Activity	2017	2018	2019	2020	2021 ^r	2022 ^p
Agriculture, forestry and fishing	694,698.3	777,912.4	875,199.9	959,380.0	1,139,978.5	1,396,219.1
Crops	312,784.6	315,521.7	306,783.5	369,651.4	380,490.6	393,722.1
Livestock	165,055.7	224,028.3	320,404.5	331,328.9	464,200.0	699,219.8
Forestry	51,377.8	48,401.7	49,980.4	51,957.9	58,513.7	60,294.8
Fishing	165,480.2	189,960.7	198,031.5	206,441.8	236,774.2	242,982.3
Industry	631,556.9	652,893.3	756,276.3	826,205.7	898,105.6	1,048,623.4
Mining and quarrying	36,289.3	42,661.5	43,583.4	42,935.7	47,700.0	44,918.9
Manufacturing	210,685.0	217,762.8	281,920.5	324,928.3	338,200.0	438,844.9
Electricity and gas	29,866.2	31,139.1	48,531.8	58,968.6	59,505.6	61,681.0
Water supply and sewerage	21,589.9	22,081.1	24,588.5	24,009.9	25,900.0	29,235.4
Construction	333,126.5	339,248.8	357,652.1	375,363.2	426,800.0	473,943.3
Services	1,613,850.1	1,940,016.8	2,137,032.3	2,059,160.0	2,180,665.0	2,501,181.7
Trade and repairs	200,459.4	199,982.3	205,674.5	211,669.7	250,200.0	348,482.0
Transport and storage	109,288.9	115,708.3	129,840.2	141,760.4	144,200.0	150,128.2
Accommodation and food services	479,219.7	721,688.4	833,359.5	666,543.9	724,200.0	860,031.1
Accommodation	393,954.8	601,940.4	698,061.7	571,063.9	611,100.0	729,564.3
Food and beverage services	85,264.9	119,748.0	135,297.9	95,480.0	113,100.0	130,466.8
Information and communication	37,311.6	36,746.1	56,834.0	70,827.1	74,800.3	76,061.2
Financial and insurance activities	117,506.9	139,724.9	145,665.7	144,763.6	160,900.0	152,242.0
Real estate activities	273,923.7	300,646.9	320,126.7	348,864.6	379,482.2	407,421.4
Professional, scientific and technical	4,413.3	4,831.4	4,913.6	5,165.6	5,700.0	5,815.0
Administrative and support services	28,526.3	29,528.3	33,451.4	27,894.2	29,700.0	31,007.3
Public administration	199,330.2	213,895.1	216,372.0	229,695.5	230,400.0	271,252.0
Education	80,280.9	85,343.5	92,793.9	99,800.8	113,982.5	128,981.2
Human health and social work	36,233.0	37,457.2	39,941.9	43,530.7	46,400.0	39,771.6
Arts, entertainment and recreation	2,650.9	3,074.5	3,064.4	3,159.1	3,300.0	2,117.9
Other service activities	39,166.6	45,673.8	48,257.5	58,454.7	65,100.0	76,331.6
Domestic services	5,538.7	5,716.3	6,737.1	7,030.2	7,200.0	7,487.4
Less: FISIM	-38,955.3	-41,786.3	-45,860.5	-49,132.1	-54,900.0	-55,948.0
GDP at basic prices	2,901,150.0	3,329,036.2	3,722,648.0	3,795,613.5	4,218,749.2	4,946,024.2
Add: Taxes on products	332,305.8	387,384.3	409,337.6	413,248.9	414,081.9	454,258.9
GDP at market prices	3,233,455.7	3,716,420.4	4,131,985.5	4,208,862.4	4,632,831.1	5,400,283.1
Population in '000'	1,534.0	1,577.0	1,621.0	1,666.0	1,713.0	1,889.0
GDP per capita in TZS '000'	2,107.9	2,356.7	2,549.0	2,526.0	2,790.0	2,859.0
Exchange rate TZS/USD, period average	2,228.9	2,264.0	2,289.0	2,298.0	2,310.0	2,315.0

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.2: Gross Domestic Product by Activity at Current Prices, Percentage Share in Total GDP

Activity	2017	2018	2019	2020	2021 ^r	2022 ^P
						Percent
Agriculture, forestry and fishing	21.5	20.9	21.2	22.8	27.1	25.9
Crops	9.7	8.5	7.4	8.8	8.0	7.3
Livestock	5.1	6.0	7.8	7.9	12.9	12.9
Forestry and hunting	1.6	1.3	1.2	1.2	1.2	1.1
Fishing	5.1	5.1	4.8	4.9	5.0	4.5
Industry	19.5	17.6	18.3	19.6	19.0	19.4
Mining and quarrying	1.1	1.1	1.1	1.0	0.9	0.8
Manufacturing	6.5	5.9	6.8	7.7	7.0	8.1
Electricity and gas	0.9	0.8	1.2	1.4	1.2	1.1
Water supply and sewerage	0.7	0.6	0.6	0.6	0.5	0.5
Construction	10.3	9.1	8.7	8.9	9.3	8.8
Services	49.9	52.2	51.7	8.4	45.3	46.3
Trade and repairs	6.2	5.4	5.0	5.0	4.7	6.5
Transport and storage	3.4	3.1	3.1	3.4	3.0	2.8
Accommodation and food services	14.8	19.4	20.2	15.8	15.8	15.9
Accommodation	12.2	16.2	16.9	13.6	13.3	13.5
Food and beverage services	2.6	3.2	3.3	2.3	2.5	2.4
Information and communication	1.2	1.0	1.4	1.7	1.6	1.4
Financial and insurance activities	3.6	3.8	3.5	3.4	3.2	2.8
Real estate activities	8.5	8.1	7.7	8.3	7.9	7.5
Professional, scientific and technical	0.1	0.1	0.1	0.1	0.1	0.1
Administrative and support services	0.9	0.8	0.8	0.7	0.6	0.6
Public administration	6.2	5.8	5.2	5.5	4.8	5.0
Education	2.5	2.3	2.2	2.4	2.4	2.4
Human health and social work	1.1	1.0	1.0	1.0	0.8	0.7
Arts, entertainment and recreation	0.1	0.1	0.1	0.1	0.0	0.0
Other service activities	1.2	1.2	1.2	1.4	1.4	1.4
Domestic services	0.2	0.2	0.2	0.2	0.2	0.1
Less: FISIM	-1.2	-1.1	-1.1	-1.2	-1.1	-1.0
GDP at basic prices	89.7	89.6	90.1	90.2	91.3	91.6
Taxes on products	10.3	10.4	9.9	9.8	8.7	8.4
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.3: Gross Domestic Product by Activity at Constant 2015 Prices

	Millions of TZS					
Activity	2017	2018	2019	2020	2021	2022 ^P
Agriculture, forestry and fishing	581,961.7	603,772.3	619,373.1	639,786.9	656,328.7	682,870.5
Crops	261,048.2	270,621.4	254,884.7	258,117.7	263,823.5	279,814.4
Livestock	136,036.8	146,732.3	171,666.1	185,746.4	191,300.0	195,774.0
Forestry and hunting	44,076.5	44,195.5	45,854.2	43,848.3	45,616.2	46,936.4
Fishing	140,800.2	142,223.0	146,968.0	152,074.5	155,588.9	160,345.7
Industry	493,084.6	511,768.5	565,815.6	595,431.1	626,400.0	663,825.2
Mining and quarrying	32,719.2	37,066.7	36,423.4	34,248.6	37,600.0	39,916.1
Manufacturing	211,321.3	215,700.7	259,876.2	276,775.6	279,800.0	303,697.4
Electricity and gas	13,147.7	13,823.2	14,538.2	14,067.8	15,200.0	15,404.8
Water supply and sewerage	22,448.9	23,077.8	26,065.0	26,528.5	28,300.0	30,500.2
Construction	213,447.5	222,100.0	228,912.9	243,810.6	265,500.0	274,306.7
Services	1,360,137.6	1,498,199.0	1,626,737.3	1,613,575.9	1,693,309.0	1,847,354.3
Trade and repairs	180,256.9	194,707.0	212,486.9	228,156.7	262,200.0	276,427.2
Transport and storage	111,365.1	121,812.1	127,504.8	119,128.0	130,245.1	135,187.1
Accommodation and food services	429,210.0	504,749.2	562,674.1	490,958.3	523,400.0	609,057.5
Accommodation	350,029.4	409,489.3	457,850.3	405,925.2	432,300.0	505,822.0
Food and beverage services	79,180.6	95,259.9	104,823.8	85,033.1	91,400.0	103,235.5
Information and communication	51,598.5	53,369.0	56,281.1	54,452.5	45,577.7	46,720.5
Financial and insurance activities	91,571.9	95,620.4	98,564.9	100,413.8	110,300.0	115,812.1
Real estate activities	144,662.6	153,990.7	164,204.9	175,373.4	187,700.0	200,875.7
Professional, scientific and technical	3,815.6	4,013.7	3,899.0	3,943.4	4,140.4	4,157.8
Administrative and support services	24,415.6	25,604.1	27,368.8	26,102.0	27,800.0	23,434.3
Public administration	175,947.2	185,600.0	207,252.8	234,697.7	247,110.8	267,418.0
Education	73,336.8	78,464.1	84,378.7	92,532.4	92,240.3	101,258.8
Human health and social work	31,249.2	31,979.5	32,767.4	33,215.9	34,000.0	37,021.2
Arts, entertainment and recreation	2,734.2	3,261.8	3,370.3	3,204.0	3,200.0	2,548.4
Other service activities	34,435.4	39,311.1	40,083.9	45,309.6	48,400.0	52,152.8
Domestic services	5,538.7	5,716.3	5,899.6	6,088.3	6,283.2	6,484.2
Less FISIM	-27,660.3	-24,845.9	-25,492.8	-28,482.9	-29,288.4	-31,201.4
GDP at basic prices	2,407,523.6	2,588,893.9	2,786,433.2	2,820,311.0	2,976,037.7	3,194,050.1
Add: Taxes on products	276,822.6	286,613.6	291,232.5	296,020.5	299,600.0	304,786.0
GDP at market prices	2,684,346.2	2,875,507.5	3,077,665.7	3,116,331.5	3,275,300.0	3,498,836.0

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.4: Gross Domestic Product by Activity at Constant 2015 Prices, Percentage Annual Growth Rates

Activity	Percent					
	2017	2018	2019	2020	2021 ^r	2022 ^p
Agriculture, forestry and fishing	7.9	3.7	2.6	3.3	2.6	4.0
Crops	10.6	3.7	-5.8	1.3	2.2	6.1
Livestock	9.3	7.7	17.0	8.2	3.0	2.3
Forestry and hunting	4.2	0.3	3.8	-4.4	4.0	2.9
Fishing	3.1	1.0	3.3	3.5	2.3	3.0
Industry	5.6	3.8	10.6	5.2	5.1	9.3
Mining and quarrying	20.3	13.3	-1.7	-6.0	9.9	9.1
Manufacturing	8.6	2.1	20.5	6.5	1.1	8.1
Electricity and gas	4.2	5.1	5.2	-3.2	8.0	22.3
Water supply and sewerage	7.3	2.8	12.6	2.0	6.9	7.0
Construction	0.8	4.1	3.1	6.5	8.9	10.2
Services	7.5	10.2	8.6	-1.0	6.9	7.7
Trade and repairs	6.4	8.0	9.2	7.4	14.9	4.2
Transport and storage	3.5	9.4	4.7	-6.6	9.3	3.8
Accommodation and food services	14.3	17.6	11.5	-12.7	6.6	11.7
Accommodation	14.7	17.0	11.8	-11.3	6.5	12.3
Food and beverage services	12.6	20.3	10.0	-18.9	7.5	9.0
Information and communication	15.5	3.4	5.5	-3.2	-16.3	2.5
Financial and insurance activities	9.5	4.4	2.8	2.2	9.9	3.7
Real estate activities	6.2	6.4	6.6	6.8	7.0	7.1
Professional, scientific and technical	-3.2	5.2	-2.9	1.1	5.0	1.4
Administrative and support services	7.2	4.9	6.9	-4.6	6.6	-1.5
Public administration	-2.7	5.5	11.7	13.2	5.3	8.2
Education	2.5	7.0	7.5	9.7	-0.3	9.8
Human health and social work	1.4	2.3	2.5	1.4	2.4	8.9
Arts, entertainment and recreation	14.5	19.3	3.3	-4.9	1.1	1.9
Other service activities	13.4	14.2	2.0	12.9	6.9	6.2
Domestic services	3.2	3.2	3.2	3.2	3.2	2.9
Less FISM	-0.9	-10.2	2.6	11.7	2.8	6.5
Taxes on products	11.5	3.8	1.7	1.6	1.2	3.0
GDP at market prices	7.7	7.1	7.0	1.3	5.1	6.8

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.5: Production of Major Export Crops

Crop	Tonnes					
	2017	2018	2019	2020	2021 ^r	2022 ^P
Cloves	8,277.2	675.2	1,691.0	3,072.1	7,840.8	4,734.1
Clove stem	1,630.6	172.8	150.8	542.3	1,664.6	768.8
Seaweed	10,980.9	10,424.9	9,663.2	5,387.1	10,530.8	12,593.7
Rubber	0.0	0.0	0.0	0.0	0.0	0.0

Source: Zanzibar State Trading Corporation (ZSTC), Ministry of Agriculture, Natural Resources, Livestock and Fishing; and AGROTEX Company

Note: p denotes provisional data; and r, revised data

A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.6: Production of Selected Commodities

Commodity	Units	2017	2018	2019	2020	2021 ^r	2022 ^P
Beverages*	Liters in '000'	21,699.0	20,166.0	22,031.0	22,291.0	22,269.0	22,616.0
	Mill. of TZS	7,921.6	7,362.0	8,043.0	8,204.0	8,130.0	8,324.0
Bread	Pcs. in '000'	194,893.0	209,439.0	231,540.0	237,918.0	239,242.0	240,814.0
	Mill. of TZS	23,192.2	24,923.2	34,731.0	35,688.0	35,886.0	38,530.0
Wheat flour	Tonnes	25,196.0	26,963.0	30,230.0	35,513.0	36,843.0	45,704.0
	Mill. of TZS	23,939.3	24,711.8	29,156.0	33,717.0	37,980.0	66,322.0
Diary products	Liters in '000'	8,174.3	7,709.3	7,874.0	8,041.0	2,242.0	0.0
	Mill. of TZS	7,751.0	8,702.2	8,888.0	9,077.0	4,925.0	0.0
Noodles	Kgs	247,350.0	295,701.0	373,053.0	387,414.0	380,182.0	282,353.0
	Mill. of TZS	455.2	532.3	728.0	774.0	760.0	705.0
Door UPVC	Pcs. in '000'	121.0	239.0	222.0	40.5	0.0	0.0
	Mill. of TZS	17.4	33.9	31.0	11.0	0.0	0.0
Window UPVC	No. in '000'	71.0	121.0	111.0	150.0	0.0	0.0
	Mill. of TZS	13.3	21.7	21.0	17.0	0.0	0.0
Gaments dish-dash	Pcs	677.0	3,339.0	6,467.0	0.0	7,262.0	4,760.0
	Mill. of TZS	1,211.2	5,969.5	10,994.0	0.0	12,684.0	11,823.0
Jewellery (gold/silver)	Gms	3,119.0	2,973.0	2,971.0	1,392.0	4,125.0	5,913.0
	Mill. of TZS	104.6	103.6	91.0	29.0	126.0	167.9
Sugar	Tonnes	5,060.0	5,684.0	5,282.0	8,315.0	20,369.0	20,037.0
	Mil. of TZS	12.3	12.1	18.0	39.0	90.0	91.0
Essential products	Pcs	227,088.0	224,045.0	230,318.0	234,924.0	289.9	1,540.0
	Mil. of TZS	811,832.0	800,955.0	850.0	955.0	10.0	100.0

Source: Office of the Chief Government Statistician

Note: p denoted provisional data; r, revised data and * includes mineral water, soft drinks and juice; and essential products, clove stem oil, lemongrass oil, cinnamon, leaf oil, eucalyptus citriodora oil, eucalyptus camaldulensis oil and sweet basi oil



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.7: Consumer Price Index

Base: Jan 2017=100

Period	New weights (%)	All items	Alcoholic beverages, tobacco and narcotics										Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Insurance And Financial Services	Protection and Miscellaneous Goods and	Social
			Food	Non-food	Alcoholic beverages, tobacco and narcotics	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture										
2018		100.0	41.9	58.6	0.2	6.3	25.8	4.8	1.3	9.1	4.2	1.1	1.6	1.4	0.5	1.7						
2019		107.3	105.1	109.0	106.0	113.1	114.1	105.7	112.0	98.6	105.4	105.5	101.1									
2020		110.2	108.1	111.9	121.5	113.5	117.6	111.7	113.7	112.2	109.1	109.7	106.3									
2021		114.0	114.3	113.7	135.2	115.7	120.3	124.0	111.1	114.8	113.3	113.2	107.1									
2022		116.0	115.1	121.6	135.1	118.5	124.5	129.0	114.8	115.6	113.5	125.3	107.3									
2022 - Jan		112.3	112.6	112.1	120.8	112.8	119.9	118.3	113.3	109.9	106.9	114.5	104.9									
Feb		117.3	115.9	118.3	135.1	119.5	126.3	129.5	118.1	116.9	115.4	125.3	107.7									
Mar		118.5	118.3	118.7	135.1	121.3	126.8	129.5	117.3	116.9	115.4	125.3	107.7									
Apr		119.4	119.3	119.5	135.1	121.1	133.3	129.5	118.1	116.9	115.4	125.3	108.4									
May		121.2	122.1	120.5	135.1	121.0	136.6	129.5	121.1	116.9	115.4	125.3	108.4									
Jun		122.0	123.6	120.8	135.1	120.4	137.0	129.5	123.6	116.9	116.7	125.3	108.4									
Jul		122.2	121.3	122.8	135.1	124.6	137.0	132.5	126.1	116.9	116.7	125.3	108.4									
Aug		122.6	121.8	123.2	135.1	124.4	137.0	132.5	128.9	116.9	116.7	125.3	108.4									
Sep		100.3	101.0	99.8	100.0	99.7	99.8	99.8	100.7	100.0	92.6	100.0	100.1									
Oct		100.7	101.1	100.4	100.0	100.5	100.5	99.8	100.9	100.3	92.7	100.0	100.1									
Nov		100.7	101.2	100.4	100.0	100.0	101.9	101.5	100.7	100.3	92.7	100.0	100.8									
Dec		101.2	102.2	100.5	100.0	99.9	102.6	102.3	100.8	100.4	92.7	100.0	100.8									
2023 - Jan		101.9	103.9	100.5	104.0	101.0	99.9	103.3	103.1	99.9	100.4	97.0	101.0									
Feb		103.7	106.2	101.9	100.0	100.8	103.3	104.7	105.1	100.6	99.2	103.4	101.7									
Mar		104.2	107.3	102.1	100.0	100.9	105.6	109.4	105.7	100.8	94.9	103.4	101.7									
Apr		104.3	108.1	101.8	100.0	100.3	105.7	109.4	105.2	100.8	94.9	103.4	101.7									
May		106.2	111.8	102.4	100.0	100.8	106.3	109.7	104.8	101.1	98.7	103.4	101.7									
Jun		105.9	111.1	102.3	100.0	100.4	106.1	110.5	104.8	101.1	98.7	103.4	101.9									
Jun		106.1	110.2	103.2	100.7	102.6	107.1	110.4	104.7	101.1	98.7	103.4	101.2									

Source: Office of the Chief Government Statistician



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar
Table A6.8: Consumer Price Index, Twelve Months Percentage Change

Base: Jan 2017=100

Period	All items	Food	Non-food	Alcoholic beverages, tobacco and narcotics			Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishings, household equipment and routine household maintenance	Health	Transport	Information and communication		Recreation, sport and culture	Education	Restaurants and accommodation services		Insurance and financial services	Personal care, social protection and miscellaneous goods and services
				0.2	4.3	5.7						58.6	6.3			25.8	4.8		
2018	3.9	1.4	5.7	4.3	3.3	5.8	13.0	2.9	2.9	9.8	-0.4	5.1	5.5	0.5	0.5	1.7			
2019	2.7	2.8	2.6	14.6	1.1	0.3	3.0	5.7	3.0	1.5	12.6	3.5	4.0	5.2	4.0	5.2			
2020	3.4	5.7	1.6	11.3	1.3	2.0	2.3	11.0	2.3	-2.3	2.4	3.9	3.2	0.8	3.2	0.8			
2021	1.7	0.6	2.5	0.0	1.0	2.3	3.4	4.1	3.5	3.5	0.6	0.2	10.7	0.1	10.7	0.1			
2022	5.1	6.1	4.5	0.0	2.4	3.7	9.1	2.3	8.9	8.9	1.3	-0.3	0.0	1.2	0.0	1.2			4.1
2022 - Jan	2.8	0.6	4.4	0.0	1.8	5.4	4.5	1.8	8.0	8.0	1.7	1.3	0.3	0.6	0.3	0.6			
Feb	2.9	2.2	3.4	0.0	1.6	3.4	3.7	2.0	6.0	6.0	1.7	2.7	0.0	0.6	0.0	0.6			
Mar	3.5	3.0	3.9	0.0	1.8	3.7	9.0	0.7	5.5	5.5	1.7	2.7	0.0	1.2	0.0	1.2			
Apr	4.1	4.3	4.0	0.0	2.4	3.0	9.7	0.7	6.4	6.4	1.7	2.7	0.0	1.2	0.0	1.2			
May	3.7	3.2	4.1	0.0	1.8	2.3	9.9	0.6	8.1	8.1	1.7	3.8	0.0	1.2	0.0	1.2			
Jun	4.2	3.1	5.0	0.0	2.2	4.1	9.5	2.7	9.6	9.6	1.7	3.8	0.0	1.2	0.0	1.2			
Jul	4.5	4.0	4.8	0.0	2.5	3.0	9.5	2.5	11.2	11.2	1.7	3.8	0.0	1.2	0.0	1.2			
Aug	5.4	6.5	4.6	0.0	2.6	3.9	9.1	1.5	10.6	10.6	2.3	-5.8	0.0	0.7	0.0	0.7			5.2
Sep	7.0	10.8	4.4	0.0	3.2	3.5	9.9	1.7	9.6	9.6	0.3	-5.8	0.0	0.7	0.0	0.7			4.0
Oct	7.3	10.8	4.9	0.0	3.1	3.9	11.0	3.2	11.2	11.2	0.3	-5.8	0.0	2.0	0.0	2.0			4.6
Nov	7.8	11.6	5.2	0.0	2.9	4.1	11.7	4.7	11.9	11.9	0.4	-5.7	0.0	2.0	0.0	2.0			3.2
Dec	8.1	12.7	4.9	0.0	2.9	4.5	12.3	5.5	9.0	9.0	0.4	-1.3	0.0	1.4	0.0	1.4			3.4
2023 - Jan	8.4	11.6	6.1	0.0	3.9	4.9	12.1	7.2	14.6	14.6	0.6	0.9	3.4	2.3	0.0	2.3			2.5
Feb	7.8	10.5	6.0	0.0	2.6	3.5	14.1	11.9	16.2	16.2	0.8	-3.5	3.4	2.3	0.0	2.3			1.4
Mar	7.1	10.3	4.9	0.0	2.4	3.0	8.6	11.9	14.8	14.8	0.8	-3.5	3.4	1.7	0.0	1.7			1.3
Apr	7.5	11.5	4.8	0.0	3.7	3.7	6.7	12.3	11.5	11.5	1.1	0.3	3.4	1.7	0.0	1.7			3.8
May	6.4	9.5	4.3	0.0	3.5	3.7	6.1	13.1	9.3	9.3	1.1	-1.3	3.4	1.9	0.0	1.9			3.7
Jun	6.5	10.7	3.6	0.7	3.0	2.4	7.1	10.4	7.0	7.0	1.1	-1.3	3.4	1.2	0.0	1.2			2.2

Source: Office of the Chief Government Statistician



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.9: Government Operations

	Millions of TZS					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 ^P
Total revenue	685,871.5	748,410.9	787,457.3	740,961.3	908,990.0	1,209,148.0
Tax revenue	606,932.7	653,729.7	677,875.7	647,272.1	750,986.0	1,045,560.0
Tax on imports	142,797.5	144,644.3	141,254.7	155,008.8	182,236.5	223,697.5
VAT and excise duties (local)	166,212.7	174,515.8	188,895.8	152,543.9	213,068.8	323,158.1
Income tax	113,151.8	143,469.3	136,033.4	143,605.6	172,880.6	231,476.7
Other taxes	184,770.6	191,100.2	211,691.8	196,113.7	182,800.0	267,227.7
Non-tax revenue	78,938.9	94,681.3	109,581.6	93,689.2	158,004.0	163,588.0
Total expenditure	924,442.3	1,131,520.6	1,024,519.4	937,835.5	1,207,630.0	1,468,119.0
Recurrent expenditure	623,301.0	702,831.4	722,724.1	738,670.5	740,897.0	992,963.0
Wages and salaries	282,207.0	334,629.6	369,705.5	406,795.0	414,270.0	627,056.0
Interest payment	0.0	0.0	0.0	0.0	0.0	0.0
Local	0.0	0.0	0.0	0.0	0.0	0.0
Foreign	0.0	0.0	0.0	0.0	0.0	0.0
Other expenditure	341,094.0	368,201.8	353,018.6	331,875.5	326,627.0	365,907.0
Development expenditure	301,141.3	428,689.1	301,795.3	199,165.0	466,733.0	475,156.0
Local	107,086.7	102,525.1	138,989.4	68,011.0	160,861.0	308,751.0
Foreign	194,054.6	326,164.1	162,805.9	131,154.0	305,872.0	166,405.0
Overall surplus/deficit before grants	-238,570.7	-383,109.6	-237,062.1	-196,874.2	-298,640.0	-258,971.0
Grants	40,472.1	42,708.8	34,179.1	17,447.0	47,007.1	50,144.7
4.5% Budget support	2,357.0	5,642.8	7,031.1	0.0	0.0	0.0
Debt relief	0.0	0.0	0.0	0.0	0.0	0.0
Program grant	38,115.1	37,066.0	27,148.1	17,447.0	47,007.1	50,144.7
Overall surplus/deficit after grants	-198,098.6	-340,400.8	-202,882.9	-179,427.2	-251,632.9	-208,826.3
Adjustment to cash and other items	22,159.0	11,316.8	44,355.0	10,152.8	-6,985.8	18,162.5
Overall deficit cheques cleared	-175,939.6	-329,084.0	-158,527.9	-169,274.4	-258,618.7	-190,663.8
Financing	175,939.6	329,084.0	158,527.9	169,274.4	258,618.7	190,663.8
Foreign	155,939.4	294,484.0	115,612.0	115,594.7	117,788.7	123,663.8
Import support	0.0	0.0	0.0	0.0	0.0	2,000.0
Program loans	155,939.4	294,484.0	115,612.0	115,594.7	117,788.7	123,663.8
Amortization (foreign)	0.0	0.0	0.0	1,000.0	0.0	0.0
Domestic (net)	20,000.2	34,600.0	42,915.9	53,679.8	140,830.0	67,000.0
Bank	0.0	0.0	0.0	0.0	0.0	27,000.0
Non-bank	20,000.2	34,600.0	42,915.9	53,679.8	140,830.0	40,000.0
Amortization (local)	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance and Planning, Zanzibar

Note: p denotes provisional data



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A7.0 International Economics and Financial Statistics

Table A7.1: Economic Performance in G-7 Countries and the Euro Area

	2018	2019	2020	2021	2022	2023	
						Q1	Q2
G-7 Countries							
Canada							
Real GDP ¹	2.8	1.9	-5.1	5.0	3.4	0.8	n.a
Inflation ¹	2.3	1.9	0.7	3.4	6.8	5.1	3.5
France							
Real GDP ¹	1.9	1.8	-7.8	6.8	2.5	0.1	0.5
Inflation ¹	1.9	1.1	0.5	1.6	5.2	6.0	5.2
Germany							
Real GDP ¹	1.0	1.1	-3.7	2.6	1.8	-0.1	0.0
Inflation ¹	1.7	1.4	0.5	3.1	6.9	8.2	6.5
Italy							
Real GDP ¹	0.9	0.5	-9.0	7.0	3.7	0.6	-0.3
Inflation ¹	1.1	0.6	-0.1	1.9	8.2	8.9	7.4
Japan							
Real GDP ¹	0.6	-0.4	-4.3	2.1	1.0	0.7	n.a
Inflation ¹	1.0	0.5	0.0	-0.3	2.5	3.6	3.3
UK							
Real GDP ¹	1.7	1.6	-11.0	7.6	4.1	0.1	n.a
Inflation ¹	2.3	1.7	1.0	2.5	7.9	9.0	7.7
USA							
Real GDP ¹	2.9	2.3	-2.8	5.9	2.1	0.5	0.6
Inflation ¹	2.4	1.8	1.2	4.7	8.0	5.8	4.0
EURO AREA							
Real GDP ¹	1.8	1.6	-6.1	5.4	3.5	0.0	0.3
Inflation ¹	1.8	1.2	0.3	2.6	8.4	8.0	6.2

Source: IMF World Economic Outlook, Bloomberg system and OECD Statistics.

Notes: ¹ Percent change from preceding year or quarter



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A7.0 International Economics and Financial Statistics

Table 7.2: World Market Prices of Selected Commodities

Commodity	Unit price	2018	2019	2020	2021	2022	2023	
							Q1	Q2
Coffee "Arabica"	USD per kg	2.9	2.9	3.3	4.5	5.6	4.8	4.8
Coffee "Robusta"	USD per kg	1.9	1.6	1.5	2.0	2.3	2.3	2.3
Cotton "A index"	USD per kg	2.0	1.7	1.6	2.2	2.9	2.2	2.1
Cloves (Madagascar cif Singapore)	USD per tonne	8.0	6.4	5.8	7.6	8.0	7.5	7.7
Sisal (UG)	USD per kg	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Tea (Mombasa auction)	USD per kg	2.6	2.2	2.0	2.1	2.4	2.3	2.2
Maize	USD per tonne	164.4	170.1	165.5	259.1	318.8	294.5	275.4
Rice (Thai 5%)	USD per tonne	420.7	418.0	496.8	458.3	436.8	495.0	508.3
Wheat (SRW)	USD per tonne	203.9	211.3	227.7	282.4	381.9	304.4	298.3
Gold	USD per oz t	1,269.2	1,392.5	1,770.3	1,799.6	1,800.6	1,888.3	1,951.0
Crude oil*	USD per barrel	68.3	61.4	41.3	69.1	99.8	81.4	78.2
Crude oil**	USD per barrel	69.2	63.2	42.2	68.8	97.0	79.6	77.9
White products***	USD per tonne	669.0	593.3	374.6	630.5	1,019.4	853.1	770.7

Source: www.worldbank.org/en/research/commodity-markets, Bloomberg and Tanzania Sisal Board

Note: UG denotes under grade; Q, quarterly; * average spot price of Brent, Dubai and West Texas Intermediate, equally weighed; ** f.o.b. Dubai; *** average of premium gasoline gas oil and jet/kerosene, f. o. b. West Mediterranean; and oz t, troy ounce



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